



with
Christian Guy
Kate Henderson
Alison Garnham
Deborah Hargreaves

in association with
Webb Memorial Trust

Webb Memorial Trust

The Webb Memorial Trust is interested to hear your views on the issues covered in this supplement. You may agree with our contributors or you may disagree. You may think we have missed an important aspect or you may have a particular slant on one of the myths we have briefly examined.

You may also want to share your ideas and views on

What does a good society without poverty look like?

What are the factors that produce a good society without poverty?

Who does what to implement a good society without poverty?

These are the three questions that are shaping the Trust's Poverty and Inequality Programme, which is expected to run for the next few years – leaving behind a legacy worthy of Beatrice Webb herself.

We would love to hear from you. If you would like to contribute to the debate and perhaps to the research itself please send us your comments and observations. You can do that by completing a Submission form on our website:

www.webbmemorialtrust.org.uk/poverty-inequality-programme

Alternatively, email us at webb@cranehouse.eu

Webb Memorial Trust

New Statesman
7th Floor
John Carpenter House
John Carpenter Street
London EC4Y 0AN
Tel 020 7936 6400
Fax 020 7936 6501
info@newstatesman.co.uk
Subscription enquiries,
reprints and
syndication rights:
Stephen Brasher
sbrasher@
newstatesman.co.uk
0800 731 8496

Supplement Editor
Becky Slack
Art Director
Anja Wohlstrom
Picture Editor
Rebecca McClelland
Design & Production
Leon Parks
Graphics
Peter Aiello

Head of Key Accounts
Richard Rowe
020 7936 6462
Partnerships and
Events Manager
Rosaling Goates



Do scroungers live in mansions? P14



Does wealth trickle down? P12



Does poverty even exist in the UK? P20

Busting the poverty myths

We've all seen the headlines that portray those on benefit as scroungers; we've most likely all heard ministers question the fairness for hard-working people having to foot the bill for the unemployed who "sleep off a life on benefit"; and most of us will know someone who believes that poverty is the fault of the individual – or who will argue that poverty doesn't even exist in this country.

How accurate are such perceptions? Are the views presented based on fact, or is it the case

that evidence and statistics have been misused, misrepresented and manipulated to create propaganda for a war on welfare? And what effect do these attitudes have on those who are living below the poverty line?

Research has shown that myths and misunderstandings fuel stereotypes that negatively impact those living in poverty in the UK. This supplement, produced in partnership with the Webb Memorial Trust, aims to bust those myths – once and for all.

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

ARTICLES

- 4 **The truth can be harder than fiction**
This supplement addresses distortions in our perceptions about UK poverty, writes *Barry Knight*
- 6 **In work and in poverty**
Poverty is not the preserve of the unemployed, say *Robert MacDonald and Tracy Shildrick*
- 10 **Power of the people**
Who says it takes huge organisations and stacks of cash to make a difference, asks *Mike Parker*
- 12 **The rich only get richer**
Cutting tax for the rich does not lead to wealth reaching the rest of us, states *Deborah Hargreaves*
- 14 **The stigma of social housing**
We are not making the most of what good social housing has to offer, argues *Kate Henderson*
- 16 **The rising tide of poverty**
Austerity measures are hitting some harder than others, finds *Alison Garnham*
- 18 **It's not all money, money, money**
The wrong metrics are being used to measure child poverty, by *Christian Guy*
- 20 **The truth is out there**
Tackling the myth that poverty doesn't exist in the UK is the first step to ending it, says *Rys Farthing*
- 23 **Facts & figures**
The myths and the facts of UK poverty

First published as a supplement to the New Statesman 22-28 March 2013.
© New Statesman Ltd. All rights reserved. Registered as a newspaper in the UK and USA.

The paper in this magazine originates from timber that is sourced from sustainable forests, responsibly managed to strict environmental, social and economic standards. The manufacturing mills have both FSC and PEFC certification and also ISO9001 and ISO14001 accreditation.

The truth can be harder than fiction

by Barry Knight

This special supplement addresses distortions in our perceptions about poverty in the UK. The essays form part of the Webb Memorial Trust's Poverty and Inequality Programme

There is widespread misunderstanding of the problem of poverty, which makes it harder to address. To improve our understanding, we have asked writers from academia, charities and think tanks to identify prominent “myths of poverty” and to examine them through an empirical lens. We have included a piece on what children say because, although they are often the main victims of poverty, they are rarely heard and easy to ignore.

The idea of this supplement is to separate fact from fiction. Among the many myths we address, the most prominent include:

There is no poverty in the UK

Rys Farthing suggests the reason that people say this is because poor children are “invisible in our class-ridden and aspirant society”.

Income is the only measure of poverty

On the basis of many visits across the country, Christian Guy, from the Centre for Social Justice, argues the way we measure poverty misses the root causes and prevents us from solving the problem.

Work gets people out of poverty

On the basis of empirical research, Robert MacDonald and Tracy Shildrick, from the University of Teesside, demonstrate “the low-pay, no-pay cycle”, in which recurrent moves in and out of poverty are associated with recurrent moves in and out of low-paid, insecure employment.

Economic growth at the top of our society will solve poverty

Deborah Hargreaves, of the High Pay Centre, criticises the “trickle down” theory that if the rich get richer, their income and wealth will re-circulate throughout the income scale in the form of additional investment and job creation.

Individuals can't make a difference

Mike Parker, honorary secretary of the Webb Memorial Trust, describes how local people – individuals, groups, and businesses – are taking charge of their destiny to find the means of reducing poverty using their own skills, knowledge, resources and ingenuity.

Scroungers live in mansions – paid for by the state

As the chief executive of the Town and Country Planning Association, Kate Henderson sets out to change the stigmas attached to social housing.

We're all in this together

Alison Garnham of the Child Poverty Action Group suggests that, far from austerity policies being delivered fairly, it is families that are hurting most.

Readers can judge for themselves whether the evidence presented by each author is sufficiently convincing to dispose of the myth. Yet, the very existence of such a list of significant misconceptions is enough to suggest that, as a society, we are deeply con-

fused about poverty. Moreover, we are not alone in thinking this. As this supplement was being drafted, a number of Christian churches featured six common myths of poverty in a report called *The Lies We Tell Ourselves*.

A vital precursor to solving the problem of poverty is to understand it. A society that fails to understand itself properly can fall prey to forces that push it in dangerous directions. History is littered with examples about how people have constructed myths to conceal the real reasons why societies don't work. A common pattern is to find scapegoats, and take punitive actions against them.

Such a process is more common when everyone feels that they are losing. Austerity is not just about finances; it's about attitudes too. This downward spiral means that we wallow in blame (“it's all the welfare scroungers' fault” or “the government is to blame”), rather than finding solutions for the problem. Even if we manage to address the problem, policy prescriptions based on myths will involve fake diagnoses and will therefore fail.

Policy on poverty appears to be stuck. No political party is giving clear, consistent or helpful messages, and there is an absence of clearly articulated strategies that would work to reduce it.

New thinking is badly needed. The Institute of Fiscal Studies predicts that poverty is likely to increase over the next five years as a consequence of reductions in benefits and changes to the labour market. In her ar-



ticle, Alison Garnham shows that, according to the Treasury's distributional analysis of the Autumn Statement 2012, all of those living in the bottom half of the income distribution will experience a net loss, while most of those in the upper income brackets will see a net gain.

Unless we address this mounting inequality, Deborah Hargreaves suggests the social contract underpinning our stability as a society will unravel. Too many people have too little stake in our society. Indeed, in a 2011 book, *The Precariat: The New Dangerous Class*, Guy Standing highlighted the insecurities faced by millions of people without occupational identities, drifting in and out of jobs, constantly worried about their incomes, housing and prospects.

The rise of the "precariat" particularly affects the coming generation, as young people realise that their certificates and degrees have little value. In her essay, Rys Farthing records the anger that children feel about being "left to rot". The geography of their childhoods, she says, is dominated by the "threat of crime, vermin and boarded-up buildings".

Similarly, in his essay Christian Guy notes "the sickening levels of disadvantage

that paralyse so many communities across Britain". Kate Henderson says "many people have no say over their housing, no security of tenure and a stigma attached to them because they are condemned to live in the social housing estate."

The days when "we are all in this together" are long gone. Such ideas are a relic of a bygone age at the end of the Second World War when memories of the Great Depression were fresh in people's minds. The myths divide "them" and "us".

To investigate this divide, the Webb Memorial Trust has commissioned a population survey of 1,500 adults to investigate attitudes towards poverty. The results found the – now familiar – toxic attitudes towards recipients of welfare. Statistical analysis found people could be divided into three types depending on what they believed to be the reasons for poverty. The first group believes people are poor because of factors beyond their control; the second that the poor only have themselves to blame for their condition; while the third believes poverty is an inescapable condition of society and there is little hope of solving it.

It is evident that these three attitudes pull in different directions. The prevalence of

Attitudes to poverty have changed since the 1950s

each one goes some way towards explaining some of the myths of poverty as well as the policy paralysis that surrounds it.

Assuming that we wish to tackle poverty, we can discount the attitude that nothing much can be done. Once this is done, a critical difference emerges between those who believe that people are poor because of factors outside their control and those who believe it is their fault.

Putting this positively, the divide is between those who see structural or systemic reform as the key means and those who see individual agency as the key means. This does not have to be seen as either/or, it can be seen as a both/and. If we want to see progress, we need to come together in a new understanding where all agencies – individual, private, voluntary and state – cooperate to forge a new compact about how to go forward. The state needs to do much of the heavy lifting in this compact, but it can't do it all, and neither should it because citizens have responsibilities too.

Barry Knight is principal adviser to the Webb Memorial Trust

In work and in poverty

by Robert MacDonald and Tracy Shildrick

Many of those people who are poor are in jobs that do not pay enough to lift them out of poverty. Poverty is not, therefore, the preserve of the unemployed

The word 'Myth' has different meanings. Here we are not talking about myths in the sense of classical stories, ancient Greek fables of humans and the Gods that last in their appeal because they speak to enduring truths of the human condition. Instead we are referring to those myths that are about falsehoods, about misrepresenting what is the case for people, about ideological distortion of the truth. When myths are known not to be true and yet are peddled by the powerful they become political propaganda. One does not need to be a Nazi to give credence to the maxim – variously attributed to Hitler and Goebbels – that “if you tell a big enough lie and tell it frequently enough, it will be believed”.

In the UK, certainly, there appears to be much that is said about “the poor” and about poverty, by politicians (of all stripes) and by the tabloid press – and believed by the general public – that is untrue. Recent work by the TUC, for instance, has revealed just how wide of the mark are popular understandings of the current UK welfare state. For instance, they found that “on average people think that 41 per cent of the entire welfare budget goes on benefits to unemployed people, while the true figure is 3 per cent” and that “people think that 27 per cent of the welfare budget is claimed fraudulently, while the government’s own figure is 0.7 per cent”.

Supported by the Webb Memorial Trust, and with Lucy Grimshaw and Robert

Crow, we are engaged in a research project that is identifying, investigating and, we hope, exposing myths about poverty. In our own research over the past 15 years with residents, welfare practitioners, employers and other key stakeholders in some of the most deprived parts of Teesside in north east England, we have been struck by how widely held and strongly rooted are myths about “the poor” and “poverty”; sometimes, paradoxically, among “the poor” themselves.

Part of our effort as social scientists has been directed towards engaging with and challenging some of these popular myths. One small, local example comes from our knowledge exchange project, run in conjunction with Middlesbrough Council and





its partnership of local voluntary and community organisations, to communicate and debate the findings of our long-term studies. These turned out to be popular events with hundreds of participants. The extensive project evaluation found that participants felt the events had successfully “bust myths” (e.g. there are three generations of families that have never worked). In other words, it is possible to change attitudes about poverty.

These interests and motivations chime with the goals of the trust’s new programme on poverty and inequality, which will explore poverty myths such as:

- “There is no real poverty in the UK”
- “People on benefits aren’t really poor”
- “Welfare benefits are too high and create welfare dependency”

- “People are in poverty because of their own failings and behaviour”
- “The poor are always with us – there is nothing that can be done”
- “Employment is the best route out of poverty”

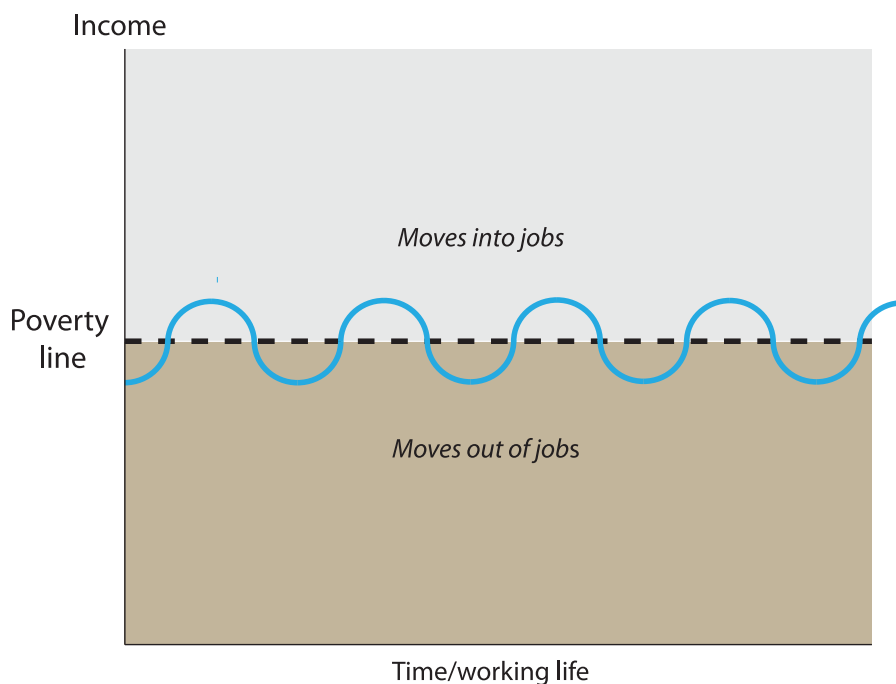
Post-modernist relativism still holds some sway in academic circles but we hold to the view that some ideas are more truthful than others, that policy based on evidence is likely to be more effective than policy based on anecdote or ideology and, for reasons of social justice and human dignity, there is a moral duty to expose myths about poverty and people living in poverty. Our project is in progress and, for this reason and for reasons of space, what we present here is

Hard work, low pay and no way out of poverty

a provisional discussion of just one poverty myth: Employment: the best route out of poverty?

It was Tony Blair who, in 1998 when he was Prime Minister, said that “work is the best route out of poverty for people who are able to work”. It is a view that was reiterated by the Conservative minister, Iain Duncan Smith, who since being appointed as the coalition’s Secretary of State for Work and Pensions, has said: “Work, for the vast majority of people, is the best route out of poverty”.

Given that low income is a key determinant of poverty, it seems common sense ►



► that employment should be a route away from it. For many people it is the case. The myth or misunderstanding here revolves around the extent to which this is true and the very important exceptions to it. Combating this myth also helps to engage critically with political discourses that seek to divide “the deserving” from “the undeserving poor” – the “strivers” from the “shirkers” – and which present poverty as the sole preserve of the unemployed.

Government welfare reforms will actually hit many people who are in jobs. For instance, in respect of the recent government decision to limit rises to welfare benefits, the Resolution Foundation estimates that “approximately 60 per cent of the effect of a three-year below-inflation rise in benefits will hit working households”. This fact muddies politicians’ distinction between “shirkers” (the targets of welfare reform) and “strivers” (the “hard-working families” said to begrudge welfare payments). In other words, many people who experience poverty and access benefits are in jobs that do not pay enough to lift them out of poverty. Similarly we know that 60 per cent of children who live in poverty are in households where at least one parent is in work.

Traditionally, means-tested housing benefit was mainly claimed by unemployed households. Recently, however, over 90

per cent of new claims have come from households containing at least one employed adult. In the year from January 2010, there were 300,000 extra housing benefit claimants, of whom 279,000 were employed; the result of a double whammy of rising rents and low wages. The concept of “in-work poverty” has become well publicised as debates over welfare reform have heated up, with the Joseph Rowntree Foundation finding “in-work poverty has been rising steadily for at least a decade”.

Less often reported, however, is how a dynamic, rather than a snap-shot, view of

Welfare reforms will actually hit many people who are in jobs

poverty can reveal the extent and experience of recurrent poverty – that is, of people moving in and out of poverty over the course of a lifetime. For instance, the sociologists Tomlinson and Walker have found that recurrent poverty affects “around 5-7 per cent of the population as a whole... representing around a fifth of all poverty experience”, highlighting how escape from poverty is only temporary. More recently, Aldridge et al have demonstrated that the populations of people in poverty and those out of work are not static: “while one in six

A typical low-pay, no-pay work history

people live in low income at any one time, around one in three has had a spell in low income over a four year period”. Similarly, they show that although around 1.6 million people are currently claiming Jobseeker’s Allowance (JSA), 4.8 million have claimed JSA at least once in the last two years.

There are several factors that can explain these poverty dynamics but probably the key one is the effect of what is known as “the low-pay, no-pay cycle”. For some people, recurrent moves into and out of poverty are associated with recurrent moves in and out of low-paid, insecure employment (see opposite for details).

This was the focus of our recent book, *Poverty and Insecurity: Life in Low-pay, No-pay Britain*. One of the first concerted studies in this area, it was based on detailed life-history interviews with 60 white, working-class men and women, aged 30 to 60 years, from Middlesbrough in North East England who had become caught up in the low-pay, no-pay cycle. We also interviewed local employers and welfare to work agencies. The research provides a case study example of the wider processes of labour market polarisation that relegate some to a life of hard work in low-paid temporary jobs that neither relieve poverty nor provide pathways up and away from it.

Importantly we found that this pattern of working is not simply the preserve of young people who might be settling in to employment. Richard, aged 30, was typical of the wider story for the younger people and older people we interviewed. Since leaving school at age 16 he had been unemployed 15 times, had participated in five training schemes and had had nine jobs – such as delivery driver, industrial cleaner, warehouseman and fork-lift truck driver – the longest of which had lasted 18 months. He had never been dismissed from or quit a job; rather, he said “the work just all tends to dry up”.

Others worked, for example, as care assistants, security guards, bar staff, labourers, cleaners or shop workers. Jobs were usually hard work, stressful and low-paid. Yet, paradoxically, interviewees would often talk vividly of the attractions of work over not being in work. A strong work attachment reflected what they had learned in their families about the importance of working for one’s living and the well-

known social and psychological benefits of employment. Thus, Richard said of his job as a forklift truck driver: “I loved it as well. It was a good job. I was always working weekends, like, it was a choice to. I used to like going to work. I used to enjoy getting up in a morning”. When interviewed Richard was unemployed again, surviving on JSA and deeply in debt. Promised months of work by a private employment agency, Richard had signed off benefits only to find the temporary job amounted to only some days of work. He had taken out a high interest, doorstep loan in order to pay his rent, while waiting for his new benefit claim to be processed. Reflecting on his working life and hopes for the future, Richard summed up the feelings of many interviewees: “Just jumping from job to job, it’s no way to go. It’s a nightmare! Jack of all trades, master of none [laughs]. I just want something with a bit of job security – where maybes I can buy me own house in the future rather than just where you’ve got to be on a wing and a prayer type thing... just a job I can call me own, you know what I mean? Rather than just looking for one all the time or just jumping from job to job.”

Most interviewees were relatively low qualified but, interestingly, the employers we interviewed did not prioritise skills or qualifications in recruitment. As one personnel manager for a large supermarket chain put it: “I look at people’s qualifications because it is polite but I don’t take much notice of them”. Rather, possessing “the right attitude” and being physically and mentally capable of the job at hand were the key recruitment criteria. This is partly explained by “the hollowing out” of the UK labour market as described in the Work Foundation report *The Hourglass and the Escalator: Labour market change and mobility* wherein job opportunities have expanded at the top and bottom of the occupational scale (but diminished in the middle). Relatively speaking, poor quality jobs that do not require qualifications remain abundant. Furthermore, as Richard suggests, jobs were most often lost because of the insecurity of the jobs themselves. Exits from employment were primarily non-voluntary (e.g. because of redundancy or temporary contracts).

A key conclusion is that neither work nor welfare protected our interviewees from poverty. Most struggled to get by when they were in jobs as well as when they were

unemployed. The everyday hardship of “robbing Peter to pay Paul” (e.g. ignoring a utility bill in order to meet a loan repayment), going without and close budgeting was the common experience but some faced deep poverty. By this we mean some interviewees were unable to feed or clothe themselves adequately or heat their homes. These findings tally with Katherine Ray of the Policy Studies Institute in London and her colleagues’ 2010 study of low skilled workers, which found: “many people experienced financial strain and struggled to get by while in work”. Importantly, they found that “those in short-term intermittent work were especially prone to feeling financial strain”. Despite this, many of our interviewees were resistant to naming their condition as one of poverty. Instead, a sense of pride at managing in adversity was clung to in opposition to the stigma and shame that still attach to the words “poverty” and “the poor”. Some also refused to claim welfare benefits. These were “the missing workless” who, because of the shame of welfare, their relatively short periods of unemployment and the hassles and inefficiencies of the benefit system, did not register or become counted as unemployed.

Better than metaphors of “routes”, “stepping stones” or “ladders” away from poverty, our participants seemed to be caught on a “waterwheel” that dipped them under the poverty line before lifting them above it, before the wheel turned again, forever churning between low paid jobs and even lower benefit payments.

The predominant experience of interviewees was one of poverty and insecurity. For us, the most disturbing aspect of our findings is that this occurs among people who possess strong, resilient work motivation and who have repeatedly been employed. We have argued that a dynamic view of working lives – of the low-pay, no-pay cycle – is particularly valuable, and usually overlooked, in challenging the myth that employment is the best route out of poverty. Static depictions of the labour market, and pointing to who might be a “shirker” and who might be a “striver”, ignore the insecurity of much contemporary employment. The striver one day may well be so-called the shirker the next.

Robert MacDonald and Tracy Shildrick are professors of sociology at the University of Teesside

Reasons why the low-pay, no-pay cycle is one that ties people to recurrent poverty:

- When individuals are unemployed they claim benefits that are set at levels designed to pay below the government’s and other official definitions of poverty;
- Accessing only part-time jobs, particularly those with insufficient hours to qualify for Tax Credits or when payment of these fails, can leave people in poverty;
- Poverty is usually assessed at the household level. An individual accessing part-time or even full-time employment does not mean that the household overall is lifted out of poverty (as we noted earlier, most children living in poverty are in a household with at least one worker);
- Entering and exiting employment brings costs. Most significant here were the costs of childcare which could offset wages from a job. Leaving a job meant re-establishing benefit claims that took time and

sometimes left people with no income whatsoever. Debts to family, friends and door-step lenders were a widespread way of coping with the everyday hardship of life in poverty;

- Even though officially some participants might have sat above the poverty line when they moved into jobs, the effect of these debts meant that they were, in practice, below it because debt repayments ate into earnings and disposable incomes.

- Employment did not provide a route out of poverty because of the inherent insecurity of jobs. Income gains were insubstantial and temporary. For most, the low-pay, no-pay cycle meant they made small, regular steps to just above the official poverty line when they moved into jobs and then regular steps back down when they lost them.

Power of the people

by Mike Parker

Who said it takes huge organisations and stacks of cash to make a difference? In the North East a group of seven local people have taken small but significant steps towards tackling inequality

It all started, as things often do, with seven people around the dinner table and a couple of bottles of wine. Amid complaints about the current government, there was disappointment that the Blair/Brown governments (unlike their Attlee, Wilson and Callaghan predecessors) had overseen a persistent rise in inequality. For us in the North East we were concerned about how the latest round of cuts were going to affect England's poorest region, the region with the highest unemployment and rate of child poverty outside of inner London.

Rather than just moaning, we asked "what can we do about it?" This was no easy question because as individuals – even well-connected ones – it is difficult to know where to start if you don't have money and an organisational base. But start we did and the result was the *January Declaration on Poverty and Inequality in the North East*.

The declaration outlined the key problems facing the region and underlined three themes to follow: to work together to create a north east that is good for everyone; to treat everyone with dignity, regardless of economic status and to press for a fair deal from government for the region.

Rather than begging the government for

cash, we saw an opportunity for local people – individuals, groups, and businesses – to take charge of their destiny and find the means of reducing poverty using their own skills, knowledge, resources and ingenuity.

To our delight, the declaration was taken up by the North East's main morning paper, the *Newcastle Journal*. A year later, around 350 individuals in the region have signed the declaration, including some local sports stars (Jonathan Edwards, Steve Cram), religious leaders and well over half

We saw an opportunity for local people to take charge of their destiny

the region's MPs and council leaders. Encouragingly, the response was cross-party with Liberal MP Alan Beith and Guy Opperman, Conservative MP for Hexham, joining their Labour colleagues.

We therefore were successful in realising our first objective, which was to raise the issue of poverty in the North East and generate discussions about such a serious issue.

Next, we invited all those who had signed up to a number of discussions that

we had held in various places across the region, and asked them first the question: "What would a good society without poverty look like?" We then asked them to identify those barriers that prevent us from having a region without poverty and to identify the key issues that need to be tackled if those barriers are to be overcome.

Over the next 12 months we organised 13 meetings, debates and discussions. More than 80 of the individuals who signed the original declaration participated – including an MP, some councillors and the then Bishop of Durham, who has since become Archbishop of Canterbury.

These discussions were fuelled by a wealth of information from experts in various fields who were concerned enough to attend. Many ideas emerged from these deliberations. These were written up and published in a document that explores the main emerging themes including wellbeing, the economy and leadership. The document listed various actions to take – some by individuals, some by organisations and some by groups coming together.

The result is a document we call the *January Manifesto*, which was published last month, a year on from the January Declaration. This summarises those 13 discussions



The wrong side of the tracks: a photo taken by a child living in poverty as part of a special project organised by the charity, Children North East (see pages 13-15 for more)

into an overall narrative and lists the actions, including four areas for major campaigns, which individuals and organisations can take. We were pleased that the manifesto received even better regional media coverage than the declaration had done the year previously.

Our work has uncovered several myths on poverty. The first, perpetrated by the right-wing press over many decades, is the use of certain words or phrases such as “claimants” or “being on benefits” to create scapegoats (immigrants, asylum seekers, single parents, the unemployed) for our economic malaise.

Such language has undermined public sympathy for the plight of the poor and for support to help weaker members of our society. More than 100 years ago social reformer Beatrice Webb said poverty was not the fault of the individual but that of economic mismanagement and lack of proper social structures. Sadly today we still have the “put them in the workhouse” mentality.

So the one thing we can all do when confronted by these prejudices and lies is to

start busting these myths. Here are three facts to use:

Myth: There are hundreds of families where grandparent, father and son have never worked.

Fact: Studies recently concluded by Teesside University of 300 families in the poorest areas of Middlesbrough and Glasgow found only one family that had had three generations of unemployed.

Myth: Large numbers of people have been unemployed for years – the shirkers.

Fact: From the Department of Work and Pensions own statistics there are currently around 1.3 million individuals on employment support allowance (ESA). Of those, less than 1 per cent has been unemployed for 10 years or more.

Myth: Benefit fraud is at epidemic levels and is a huge burden on the taxpayer.

Fact: The level of benefit fraud is about £1bn a year, just 0.7 per cent of the overall social security budget. Meanwhile, the

HMRC estimate of tax evasion in the UK amounts to £40bn.

That is just one example where people can make a difference by correcting inaccurate and prejudiced statements. But where next? The group who started this movement are not an organisation; they do not have funds – although the Webb Memorial Trust has funded their administration costs. So volunteers are being sought from those who signed the original declaration to pursue some of these actions and develop some of the campaigns over the forthcoming months.

These actions on the part of a small group of people explode the myth that individuals are powerless. The action of the *January Manifesto* proves what American anthropologist Margaret Mead said is still true. She said, “Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.”

Mike Parker is honorary secretary of the Webb Memorial Trust.

The rich only get richer

by Deborah Hargreaves

Cutting tax for the richest does not lead to a trickle-down effect of wealth to the rest of society

“The social contract is unraveling,” said Angel Gurría, secretary-general of the OECD. Speaking at the end of 2011, he was commenting on the think-tank’s report *Divided We Stand*, highlighting the rise in income inequality across the developed world. We know the rich are getting richer and the poor are suffering. The question is why?

The *Financial Times* called the report the last rites for the trickle-down theory of economics. Trickle-down was at the heart of Reaganomics in the 1980s with Margaret Thatcher a close follower.

The idea was that if the rich got richer, their wealth would circulate throughout the income scale in the form of additional investment and job creation. A rising tide lifts all boats, ran the argument.

Policymakers could conveniently ignore calls for redistribution and instead concentrate on cutting taxes and reducing government spending. This allows the market to allocate resources efficiently, according to proponents. Trickle-down – or supply side economics – has been the overriding economic theory of the past 30 years and successive governments have ignored the subsequent rise in income inequality.

However, this is a real-life experiment that has failed. In the UK, the gap between top pay and average wages has been rising sharply since 1979, yet there has not been any corresponding boom in investment. In fact, rising inequality has instead weakened the economy.

A report by the UN Conference on Trade and Development (UNCTAD) calls the theory of saving and investment that underlies trickle-down “highly questionable”. The UK has much lower levels of investment in research and development than France, Germany and Japan, for example.

The OECD report showed that the most striking effect of inequality over the past 30 years is not just that the top 10 per cent of the income scale moved further away from the bottom 10 per cent, but that the top 1 per cent and even the top 0.1 per cent has accelerated away from the rest. This has been driven by top pay for “stars” in sport, entertainment and business as well as banker and executive bonuses.

High earners at the top of the income scale have not invested their capital

High earners at the top of the income scale have not invested their capital as predicted. Instead, their profits have been channelled into financial assets and personal portfolios.

Far from helping those further down the income scale by creating jobs, this has actually driven up house prices in places such as London and New York, and fuelled investment in products such as commodity funds, which speculate on rising grain and commodity prices. This has, in turn, exacerbated a rise in food prices, making



things worse for those on lower incomes who spend a higher portion of their income on staples.

The figures are stark. In Britain, pay for those running our biggest companies – FTSE 100 – has trebled in the past 10 years to £4.8m or 185 times average pay. Wages for those on middle and low incomes have barely kept up with rising prices during that period. The share of GDP going to wages has shrunk by 12 per cent since the mid-1970s.

One in five workers in the UK is paid below two-thirds of the median wage (£13,600 a year for full-time work). This is expensive for the rest of the workforce: UK taxpayers transfer £4bn a year in the form of in-work benefits to subsidise low pay.

In thrall to the idea of trickle-down, successive governments have cut taxes for the wealthiest in society. The average tax paid by the top 1 per cent of taxpayers in the UK was above 60 per cent until 1988, today it is 45 per cent. Tax rates on top pay are currently at their lowest levels since the end of the Second World War. The re-



Residents of social housing estates in Limehouse live in the shadows of the wealth of Canary Wharf

duction in top tax rates appears to be uncorrelated with saving, investment and productivity growth.

The rich have also become a self-reinforcing group since wealth has given them power and access to those in power. They have the ear of government to skew policy in their favour, which serves to perpetuate their entitlement.

At the same time, those at the bottom of the income scale in insecure and poorly paid employment, not to speak of those who are out of work, are castigated in public rhetoric as the skivers. They have lost out in the great redistribution of the past 30 years with many falling into debt in order to support their lifestyles.

The coalition government is going further by removing the link between social security increases and prices. The TUC points out, if the minimum wage had risen at the same rate as executive pay since its introduction in 1999, it would now be £19 an hour rather than £6.19.

In 2011, 14 million people were at risk of poverty or social exclusion according to

the Office for National Statistics (ONS). The ONS also reports that the number of people who say they would be unable to cope with unexpected bills has increased considerably since the start of the financial crisis – up from 26.6 per cent in 2007 to 36.6 per cent. The proportion of people unable to afford one week's annual holiday has also risen from 21.4 per cent to 29.7 per cent.

Stewart Lansley, well-known economist and author of *The Cost of Inequality*, has long declared the failure of trickle-down. In a pamphlet for the TUC, he says this market model has led to: "a slump in productive investment, while productivity growth has been lower than in the 1950s and 1960s. Finance and banking created almost no net jobs in the 15 years to 2007."

Lansley calls it the livelihood crisis which he says is locked together with economic instability via soaring inequality "in a dangerous economic vicious spiral".

"This is because the rising concentration of wealth, driven by the collapsing wage and rising profit share, has not only led to

the declining opportunities that underlie the livelihood crisis, but has also contributed to economic fragility."

However, despite this failure, governments domestically and globally cling to the orthodox thinking that says cut taxes for the rich and everyone will be better off.

There needs to be a much stronger argument in favour of making the wealthy pay a higher share of the tax take. This could include taxes on income and on wealth, such as a land tax or higher council tax bands.

Even Christine Lagarde, arch free-marketeer who runs the IMF, has warned governments not to ignore the rise of inequality. "I believe the economics profession and the policy community have downplayed inequality for too long," she said at this year's World Economic Forum in Davos. "Now all of us have a better understanding that a more equal distribution of income allows for more economic stability, more sustained economic growth and healthier societies with stronger bonds of cohesion and trust."

For the UK, the longer term challenge is to create a better-paid structure of work so the government does not spend billions of pounds subsidising low-paying employers.

The recent findings of the Commission on Living Standards, hosted by the Resolution Foundation, called for the establishment of new sectoral skills institutions to boost the supply of skilled workers. It also recommended the evolution of the minimum wage into a genuine low pay strategy. Subsidies for childcare could help those at the bottom end of the income scale back into work.

Gavin Kelly, chief executive of the Resolution Foundation, believes Britain could develop career structures out of existing low-paid sectors such as the care industry where investment in skills, learning and career progression could lift thousands of women out of low-paid insecurity.

However, it is going to take a huge exercise in political will to debunk one of the overriding myths of the past 30 years – that wealth will trickle down. Instead the government seems happier to castigate those who are out-of-work or in insecure employment rather than admitting that tackling inequality will benefit us all.

Deborah Hargreaves is director of the High Pay Centre

The stigma of social housing

by Kate Henderson

Negative attitudes, welfare reform and complex planning mean we are not making the most of the potential good social housing has to offer

As someone who is a shared-ownership tenant I very much enjoy the feeling of being a (part) homeowner. As a homeowner I am treated as a grown-up. I have a sense of control; I can paint my living room if I want. I can even decide when and where to move house if I so choose. I am lucky, I have a voice.

These options are not open to millions of people in Britain. They are condemned to live in the social housing estate so often bolted on to the edge of a town or city, where they have no say over their housing, no security of tenure and a stigma attached to them thanks to the endless tabloid headlines selling the myth that “benefit scroungers” are holed-up in five-bedroom mansions in Kensington. Indeed, a 2013 TUC survey found public attitudes to welfare and benefits to be largely based on ignorance and prejudice. The poll revealed that on average people think 27 per cent of the welfare budget is claimed fraudulently, while the real figure is 0.7 per cent.

What the tabloids fail to mention in the “scrounger” stories is that a key function of social housing is to provide accommoda-

tion that is affordable to people on low incomes; the people who work in our hospitals, drive our buses and run our nurseries. It also provides a range of functions for people at risk of poverty and provides vital security to people who are disabled or unemployed.

A 2009 study *Growing up in social housing in Britain: A profile of four generations, 1946 to the present day* shows how dramatically our housing system has changed over the past 70 years, as have public attitudes towards it. For example, 55 per cent of

The benefit cap means many are unable to afford their current accommodation

British people born in 1946 spent at least some time in social housing in their childhood. Today 18 per cent of all households in England live in social housing.

While all governments have failed to fully learn from the successes and failures of planning, housing and regeneration policies in the past, there is growing evidence

that many of the current government’s responses are exacerbating inequality.

The benefit cap – which limits total welfare payments to £500 a week for families – will mean many households are unable to afford their current accommodation. In February, for example, Camden Council announced it would be contacting 761 households, comprising over 2,800 adults and children, because the authority can no longer afford to house them in the Borough or in the south east.

Since April 2010, the use of B&Bs to house homeless families beyond the six week legal time limit has risen by 800 per cent. This type of temporary accommodation is often deeply inadequate with families often crammed into one room and sharing a kitchen.

However, this is not just about the re-location of poorer families from London, many housing market renewal pathfinder projects in the North of England have now been abandoned, leaving thousands of people surrounded by obsolete and boarded-up terraced properties that are effectively ghost towns. At the same time, there are also places where the inability to plan for future



How things have changed: residents gather to watch a show put on by Westminster council in the grounds of their social housing estate, 1950

housing needs creates a whole series of social problems from overcrowding through to low educational attainment.

The need for affordable homes is growing. There are 1.8 million households on waiting lists for social housing. Over half a million households are living in overcrowded conditions in England and it has been estimated poor housing costs the NHS at least £600m per year. We know improved planning and better housing provision have long been identified as essential for improving the health of communities, reducing health inequalities and cutting costs for the taxpayer. Without dealing with health and housing together, both are set to get worse.

Since the end of the 19th century planning has made a significant contribution to improving the quality of life of ordinary people. We built extraordinary quality social housing which was of unparalleled improvement on what had come before. Not just focused on bricks and mortar; it was about creating the conditions for people to live differently, addressing social isolation and founded on a more cooperative ethos.

From the late 1940s to the late 1960s we built 32 new towns which still house 2.6

million people. In London and many other cities many people continue to live in the social housing designed in the 1920s and '30s. We offered a better way of life and as a nation we shared a collective ambition to rebuild Britain after both World Wars.

The planning system, whose original radicalism is simply breathtaking, is one powerful example of how an inspired vision can turn into nightmarish procedural complexity. Over the last 30 years it has been less clear that planning has been fully focused on dealing with social exclusion. While planning cannot force people to live differently it can create the conditions where more sustainable and cooperative living is possible and we need to re-capture this focus.

We desperately need to set a positive, forward looking agenda for how planning can more effectively deal with poverty and provide the right mix of housing, employment, accessible local amenities from play spaces and allotments to health centres.

We also need to frame a new debate about the future pathways for our communities. Although this is set against the backdrop of rising unemployment, public ex-

penditure cuts, benefits reform and the Euro crisis, we cannot simply accept that poverty and inequality has to get worse. It is time re-connect with planning's explicitly radical and progressive founding principles. These principles had social justice at their heart and were openly co-operative and where possible redistributive. We must also accept that socially mixed communities are far more successful than exclusively poor ones. Everyone should have a right, irrespective of earnings, to a decent home in a safe environment that helps promote their long-term well-being.

Ultimately we need to start asking the question, how are we going to live? Part of this has to involve addressing the myth that scroungers live in mansions paid for by the state and part of it is re-exploring what role planning has in helping create a good society free from poverty. If we want to eradicate poverty and promote equality then creating the conditions for more cooperative society would be a good start, but it will demand both physical and social change.

Kate Henderson is chief executive at the Town and Country Planning Association

The rising tide of poverty

by Alison Garnham

Austerity measures are hitting some harder than others, but ultimately it's our children who suffer

It has been interesting to observe a subtle, but decisive, shift in the government's tone over the last few months as it seeks to justify its austerity programme. Consider, for example, the way the coalition abandoned its initial framing of the Autumn Statement decision to uprate key benefits and tax credits at sub-inflation levels.

Its early strategy of playing off the "strivers" against the "skivers" proved to be just too nasty, especially when it became clear that the vast majority of those affected by the uprating measure had worked, were in work, or were likely to work again in the very near future.

Subsequently, the government has struck a new note, one of sorrowful regret that children are being impoverished as a result of their actions, but ever-mindful that tough decisions are necessary given the economic conditions in which we live. But in truth, there is nothing inevitable about child poverty: in a country as wealthy as the UK, allowing children to grow up poor will always be the product of political choice.

The government made a conscious choice in 2010, for example, when it decided to tackle the economic woes of the country primarily through spending restraint rather than through raising taxes, knowing full well that the brunt of the cuts would be borne by the most vulnerable in society. And indeed this has proved very much to be the case: the Treasury's own distributional analysis of the Autumn Statement 2012 shows, for example that

while all of those living in the bottom half of the income distribution will experience a net loss as a result of announced measures, the majority of those in the upper income brackets will actually see net gains.

When the government spoke, then, of avoiding "punitive increases in tax rates" in its 2010 budget what was left unsaid was that punishing amounts of money would have to be raised from sources other than profitable companies, high earners or those with significant personal wealth. And with social security accounting for almost a third of the overall government spend, it was inevitable that the coalition would look to this budget line for some serious savings.

Analysis shows it is families with children who are being hardest hit

Yet here again, the government has made a deliberate choice: to protect the value of old age pensions, comprising almost 53 per cent of the total social security budget, through the introduction of the triple lock guarantee. While this has ensured pensioner poverty has not risen as a result of their actions, it also means the cuts made to social security over the course of this parliament have had to fall almost in their entirety on the working-age population. The seemingly technical changes that have been made to the way in- and out-of-work benefits are uprated, for example, strips away

over £5bn of support for low-income families and individuals this year alone.

Furthermore, the impact of the cuts is not felt evenly across the board within this working age group. Analysis shows it is families with children who are being hardest hit by the cumulative impact of the government's austerity programme. Freezing the value of child benefit for three years; reneging on an earlier promise to over-index child tax credit; cutting support for the costs of childcare: measure by measure, the government has taken critical support away from low-income families and left them exposed in an era of stagnating wages and high prices.

It should come as no surprise, then, that the number of children growing up in poverty is projected to rise dramatically in future years. Early figures produced by the Institute for Fiscal Studies, for example, suggested that an additional 300,000 children would be living in poverty by the end of the current parliament.

These projections, however, now represent an underestimate as they do not take account of policy changes that have been announced since April 2011. Perhaps most significantly, the government has disclosed that the recent decision to uprate benefits at only 1 per cent for the next three years will impoverish an additional 200,000 children by 2015/16.

Of course, a sound child poverty strategy goes far beyond the provision of decent social security. Among other things, tackling child poverty requires there to be jobs



Child poverty costs the UK £25bn a year

for parents to take up with adequate hours and decent levels of pay. But here again, the government's austerity programme has not helped those on lower incomes. In 2010, the government argued that raising taxes would choke off a recovery but as subsequent events have shown, their hopes that this strategy would stimulate growth have proved to be unfounded.

Instead, as global institutions such as the International Monetary Fund and the European Community have recently pointed out, the UK government's radical programme of cuts threatens to undermine recovery. Logic tells us poorer individuals and especially families are more likely to spend what they earn or receive from the state than those further up the income distribution, who naturally have more capacity to save, or spend their money abroad. By cutting income support to poorer groups, then, the government has effectively stripped out significant amounts of consumer demand from the economy.

While unemployment has stayed relatively low since 2008, the recession has been characterised by underemployment coupled with sluggish wage growth char-

acteristic of weak demand. Austerity, then, has dealt low-income families two blows: first, through the disproportionate burden of the cuts they have had to bear, and second by damping down the recovery that is needed to provide the secure jobs that offer families a stable income. These two factors go a large part of the way towards explaining the rise of in-work poverty: according to the latest figures, around two thirds (62 per cent) of children growing up in poverty in the UK today have at least one parent in employment.

Of course, an appeal to necessity is only one of the storylines the government uses when justifying policies that we know will drive up child poverty to levels we have not observed in the UK since the 1980s. Another argument it makes is that we have a bloated social security bill. Yet even a cursory look at the data shows two critical things: that until the recession, social security spending remained broadly constant as a percentage of GDP in the UK; and that over time, the key change driving social security upwards is an ageing population.

Moreover, while it is true that social security spending has increased since 2008,

this is an entirely predictable consequence of a recession, and one which is expected to correct naturally once a sustained recovery is underway.

A further government account of the social security cuts centralises the individual – the “skiver” – to justify the uprating decision at the Autumn Statement. However, again, the evidence to support the proposition that there is an idle class sponging off the state is limited in the extreme. In fact most people move off benefit quickly and less than 1 per cent of the population has never worked. Demand-led rather than supply-side explanations provide a more compelling narrative: the limited numbers of jobs, contracts for only unpredictable and anti-social hours, and expensive childcare facilities all conspire to inhibit parental employment. Addressing these underlying structural constraints would be a much more sensible – not to say humane – strategy on the government's part.

While individual factors increase the risk of poverty then – losing a job, for example, or separating from a partner – it is the way that we as a society decide to manage these risks that determines whether they impoverish families or not.

We use the idea of a poverty line as a way of demarcating the boundary between what we think is acceptable, and what we think is not. But what we observe currently is the concept of child poverty being denigrated: through narratives that suggest it is a family's own fault, if they are poor, for example, or through exercises contending that the way we measure child poverty is flawed and meaningless.

The damage done to childhoods spent in poverty is incommensurable, but the future costs of child poverty have been measured. Estimates by the Joseph Rowntree Foundation in 2008 put a figure of £25bn a year on child poverty – a figure comprising lost tax revenues and additional spending required to remedy the effects of growing up in poverty. In truth, then, the overriding need is not to pursue policies that impoverish children, but instead, to pursue a coherent and effective child poverty strategy that both protects children from the degradations of growing up poor and which makes economic sense for the state in the longer run.

Alison Garnham is chief executive of Child Poverty Action Group

It's not all money, money, money

by Christian Guy

Governments and politicians are using the wrong metrics to measure child poverty. It's time to widen the scope so that a true picture can be obtained

Child poverty has for years been a key battleground in British politics. But sadly this well-trodden policy path is probably better known for the rousing rhetoric attached to it rather than its eradication.

Recent prime ministers have saved some of their toughest talking for the topic. Tony Blair famously set out his historic aim to “break the cycle of disadvantage” so children born into poverty were not “condemned to social exclusion and deprivation”.

And it doesn't seem that long ago that Gordon Brown demanded a war be waged to treat this “scar on the soul of Britain”. David Cameron has also had plenty to say about “this cruel and wasteful cycle of poverty” that “shames a nation as wealthy as ours”.

If the tragedy of poverty could have been overcome by stirring speeches, huge spending pledges and party political nonsense, the UK would be a world leader. Disastrously, however, poverty and disadvantage remains an all too common feature in communities across 21st century Britain.

One of our key problems has been a political obsession with the idea that throwing money at a problem will solve it, regardless of how entrenched its root causes may be.

When the coalition launched its consultation on the definition of poverty at the end of last year, some rounded on the government – claiming it was a ploy of the “same old Tories” to abandon the poor.

Others were a bit more generous, suggesting the government did care but that it wanted to wash its hands of a policy target it knows it will miss.

But at the Centre for Social Justice (CSJ) we take a different view. We are relieved to see that Britain's method of measuring poverty is finally undergoing a long-overdue analysis.

Moved by the sickening levels of disadvantage that paralyse so many communities across Britain, this think-tank was set up by Iain Duncan Smith almost 10 years ago to study the causes of poverty. Travel-

Behind the front doors are far too many broken and chaotic families

ling across the country to meet people whose lives have been torn apart by deprivation, and those working on the ground trying to alleviate it, we have become increasingly frustrated.

Visit after visit, we have seen just how badly the current definition of poverty and the way we measure it misses the root causes, and how the status quo has been an unmitigated disaster.

A narrow obsession with the current poverty metric – based largely on an income line set arbitrarily at 60 per cent of the national median – has been one of the

most short-sighted policy approaches of recent years.

Of course money matters, it would be ludicrous to suggest otherwise. But the current measure presents some bizarre situations. For example, based on our narrow metric, a family can go to bed one night in poverty and wake up the following morning out of it, due to a few minor spreadsheet tweaks to welfare and tax credits made in Whitehall.

But most important of all, the measure fails to focus politicians' attention on many of the factors that fuel the poverty we encounter. Poverty is often a symptom of deeper social issues – politicians have ignored this to the cost of our poorest communities for years.

Look just a little closer at some neighbourhoods in the UK and you will see something much deeper than physical dilapidation, as troublesome as that may be. Behind the front doors are far too many broken and chaotic families – nearly half of all children born today will experience family breakdown by the time they reach the age of 16.

There are some local schools where a culture of low expectations and high truancy rates are a catalyst for underachievement. Alcohol abuse and drug addiction flow through some housing estates like a river. People in uniform patrol the streets but they are gang members not police officers. Recorded crime is high; non-recorded

crime even higher. We see this at the sharp end during the many visits we do at the CSJ.

I remember Francesca, who lives in Glasgow. One of the charities belonging to the CSJ Alliance – a collection of more than 350 excellent poverty-fighting organisations – had been helping this mother and her two young children for almost a year.

Francesca's husband died from a brain haemorrhage three years earlier. A recovering alcoholic with a history of mental health problems, she would recall vividly how during her most troubled moments with addiction she regularly failed to look after her children. She said the children's homework was regularly left undone, school uniforms remained unwashed for days and she gave her children little support or encouragement.

To the average person, Francesca's children were living in poverty. To the government? No. The payments she received from her husband's life insurance and private pensions combined with child benefit pushed her well beyond the poverty measure.

Regardless of whether Francesca's children had warm clothes for the winter or nutritious food on the table, it was mission accomplished on the poverty front for our parliamentarians.

The main reason the current approach has failed Francesca's children and millions of others like them, is because it focuses mainly on money. The four measures in the Child Poverty Act – relative low income, absolute low income, material deprivation and persistent poverty – are all significant, but only tell us so much.

For proof of this we simply need to look at achievement levels over the last 15 years. In 1997, some 3.4 million children lived in poverty. In 2010 this figure had dropped to 2.6 million. Although there has been some progress, this last figure was still nearly a million more than the 1.7 million target that was boldly adopted by the last government.

Between 2003 and 2010 a jaw-dropping £147 billion was spent on tax credits alone. However this achieved just a one percentage point reduction in the proportion of children living in poverty, according to the measure. Do we honestly believe that was the best way to use that money to help those children?

I would argue, given the track record, we need to find a much better way of targeting child poverty. In fact, veteran Labour MP and parliamentary giant Frank Field could not have summed up the failure of the



We need to find a much better way of targeting child poverty than simply focusing on money

current system better. He wrote that a consequence of the Child Poverty Act has been to “straightjacket our understanding of poverty to one particular financial manifestation”.

We have always been clear: income matters and we need to measure it. The Centre for Social Justice has never argued that we should drop or replace the income measure. And it is clear from the ongoing consultation, speeches and interviews – despite some of the rhetoric flying around from different organisations – that nobody in government is contemplating dropping the income measure either.

However, in our paper *Rethinking Child Poverty*, published last year, we highlighted that if politicians were committed to dealing with educational inequality, building resilient families and helping people dependent on benefits become self-reliant, we could start a credible assault on the root causes of poverty in order to prevent it.

In terms of the family context we should look at stability, parenting, parental mental health and skills. We need to see the government using indicators focused on

school readiness, low birth weight and teenage pregnancies.

We should measure levels of work and worklessness that children grow up with. It's vital to look at whether a child attends a failing school or truants. Can we measure which children are growing up in areas of high deprivation and poor housing?

The magnitude of the task ahead is huge, but the rewards would be transformational. If a sensible and much more intelligent measure of poverty can be agreed – one that focused the Whitehall machine on the things that prevent and reduce poverty – it would be one of the most important things any British government has achieved in generations. Think of what could be changed in children's lives if this and future governments became fully focused on dismantling the root causes of poverty.

Busting the myth that poverty is tackled solely by chasing a mainly income inequality line is a major task for the 21st century. If the government seizes this opportunity we might just get there.

Christian Guy is managing director at the Centre for Social Justice



The truth is out there

by Rys Farthing

Challenging the myth that poverty doesn't really exist in the UK is the first step to ending it



The word poverty is loud and emotive. But unlike many other emotive words used to describe a bad situation, it implies a call to action. To say there is poverty in the UK is to say that something needs to be done about it. However, poverty is not an illusion and it's troubling when people say "there's no real poverty in the UK" – because by denying the problem, we don't have to work towards a solution.

Myth: There are no poor children in the UK.
Truth: Some 3.6 million children currently grow up below the poverty line – a figure that is expected to rise to 4.2 million by the year 2020.

me why I wasn't working in India instead, as if poverty only lives elsewhere. Sadly, the experiences of the young people I worked with told a different story – a story of relative deprivation that was both very real, and very difficult.

The lives of the young people I've worked with shatters the comfort that we in the "developed world" seek in the screens of our computers, the cosiness of our dinner parties and the brand names on the clothes we wear. Just as we see straight through the homeless begging for money by immersing ourselves in our smart phones, we look right over the heads of the realities of child poverty in the UK.

Poor children are the invisible class in our class-ridden and aspirant society. Perhaps the acceptance of them would force us to look in the morality mirror – and we wouldn't like what we saw.

This myth of poverty denial seems to rest on two interconnected problems. Firstly, it

Photos from a Children North East project, which armed local kids with cameras and asked them to document their lives

seems that poverty in the UK is entirely invisible and therefore, unbelievable, and secondly, even where we can see it, many people simply didn't want to believe children in the UK are seriously going without.

The young people I worked with shared bedrooms with four or five siblings – sometimes sharing winter coats. They routinely went hungry in the days before their parents' next pay cheque. They sat through detentions given to them because they were late to school on Monday morning, unable to dry their school uniforms inside their cold, damp flats over the weekend in time for the 8.45am start. They lived without so many of the simple necessities many of us take for granted.

They shared stories in ways that made these extraordinary and saddening circumstances sound matter of fact. While none ▶



The Children North East Project showed the deprivation in which these children lived and the challenges they faced every day as a result

► of them foresaw an immediate change in circumstances, they imagined and aspired to a much brighter future with successful careers and mansions. Few appeared to have a plan to achieve this. Heartbreakingly, one of the groups of young women I met had all been advised to look towards careers in childcare and hairdressing – two of the lowest paid jobs.

They all knew that something else was out there, that there was another side to life they were not enjoying. While well paid careers and lifestyles involving warm houses with tumble dryers may have been unimaginable, they all knew of plenty of nice, local neighbourhoods they had once or twice walked through.

This produced an acute sensitivity about the dilapidation of their neighbourhoods, and left them feeling they had been “left to rot”. The threat of crime, vermin, graffiti and boarded-up buildings were all key parts of the geography of their childhoods.

One group suffered the indignation of living in the Olympic borough and were furious that their community could be so easily temporarily cleaned up and revived for tourists, but not regenerated. As they put it, they felt they “were given no priority at all”.

When one of their estates was “photo-shopped up” for some promotional material, they were livid.

The impact that poverty and deprivation has on their lives is both real and damaging. How the other half live is something only seen on television. For our part, stories of their poverty are largely unheard outside of council estates or tragic news bulletins. Frankly, to the majority of us, “this sort of thing” doesn’t happen in the UK in 2013. It’s the reserve of the Victorian workhouse, surely? Contrary to that misheld belief, child poverty is set to increase until 2020.

Even when poverty becomes visible, where people would take an interest in these young people’s lives and see the deprivation they experienced, we’re slow to see this as a problem. We rationalise our prejudice by assuming these kids are outliers, the super hard-to-reach, the exception to the rule.

A local councillor I spoke to suggested that the only way children could be experiencing food hunger was through the deliberate and wanton neglect of their parents; both benefit levels and minimum wage levels apparently so high as to ensure a decent standard of living for any family. There was a fundamental assumption this

must be a problem caused by isolated, individual failings, rather than part of a broader social breakdown.

Yet the young people I know were not marginalised. All of them were fairly mainstream. They had to be in school and attending some sort of youth club for me to be able to find them in the first place. They are there – but we just don’t want to believe they’re there.

The belief that no children grow up poor in the UK both denies the reality that too many young people face, and challenges the need for any action against it. This has consequences for poor children both now and in the future; so long as we continue to render their lives invisible we add to their frustration and sense of indignation.

We are depriving them of futures and ourselves of humanity. If these bright and resilient youngsters are confined to long-term poverty, to low-paid, low-skilled work, we miss out on the many other contributions they can make. Challenging the myth that poverty doesn’t really exist in the UK is the first step to ending it.

Rys Farthing is policy and research officer at the Child Poverty Action Group

Busting the poverty myths

Myth Poverty doesn't exist in the UK
Fact Some 14 million people in the UK are at risk of poverty, while 37 per cent would be unable to cope with unexpected bills

Myth There are hundreds of families where three generations (grandparent, father and son) have never worked

Fact Recent studies by Teesside University of 300 families in the poorest areas of Middlesbrough and Glasgow found only one family that had three generations of the unemployed

Myth Poverty is an income-only problem
Fact We need to take account of the full environment from schooling to parenting to healthcare and everything else in between to gain an accurate picture of poverty

Myth There are thousands of people on benefits living in mansions
Fact Only 18 per cent of households live in social housing; there has been an 800 per cent increase in the number of people forced to live in B&Bs due to a social housing shortage

Myth Employment is the best route out of poverty
Fact Over 90 per cent of new housing benefit claims have come from households where at least one person works; 62 per cent of children growing up in poverty have at least one parent in employment

Myth You can't make a difference
Fact Studies from the North East of England have shown it is possible to bring about change – if you focus on the right areas and remain committed

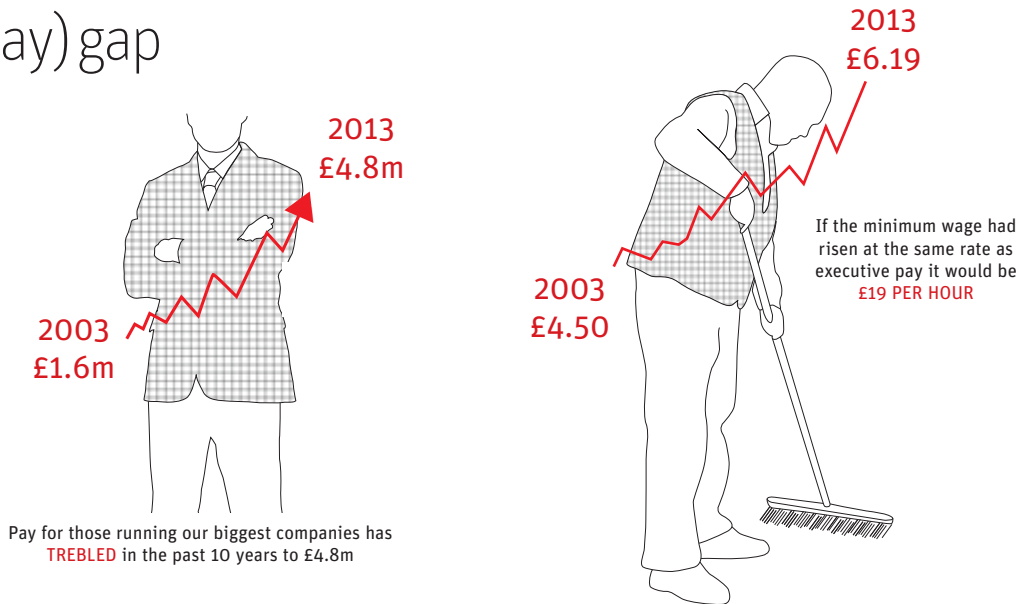
Mind the (pay) gap



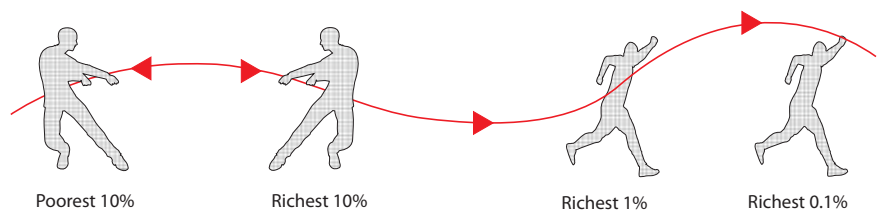
Illegally evaded tax
£40bn a year



Benefit Fraud
£1bn a year



The income scale over the past 30 years



The wealthiest 10 per cent of the population has pulled away significantly from the bottom 10 per cent; while the top 1 per cent and 0.1 per cent have accelerated away from the rest



“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

in association with

Webb Memorial Trust