

Persistent poverty in Britain - Lesson 1 Resources

Starter: Definitions of poverty

Definition	Mix and match statements
Those people whose resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities (Townsend Centre for International Poverty Research, University of Bristol)	Income and resources
	Below average
	Challenges the way in which families and individuals can live
The poverty line is 60 per cent of median income level – where the median is the level of income after direct taxes and benefits, adjusted for household size, such that half the population is above the level and half below it. This definition is a standard that changes as median income levels change; it is a measure of relative poverty. (UK Government)	A way of defining an average income
	Allows poverty to be measured based on income
	The level of which varies according to the number of people depending on the income
The state of being extremely poor: thousands of families are living in abject poverty the renunciation of the right to individual ownership of property as part of a religious vow. The state of being inferior in quality or insufficient in amount (Oxford Dictionary)	A state of being poor
	Often viewed as having insufficient income
	Below acceptable quality of life
Poverty is pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one's life. (World Bank)	Low income which leads to a standard of living below that this is acceptable
	Living patterns may indicate poor education
	An insufficient amount of income means opportunities to overcome poverty are lacking
Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation. (United Nations)	Lacking sufficient income to participate in society
	A lack of opportunity
	Insufficient access to basic standards of living

Main activity

Information packs

A - Child Poverty in Britain

Key issues

The proportion of children living in poverty has risen considerably in the last 30 years. In 1968 one in ten children lived in poverty (1.4 million children). By 1995 it was one in three (4.3 million children).

The UK has proportionally more children in poverty than most rich countries.

All political parties have signed up to the goal of ending child poverty by 2020 and to the Child Poverty Act enshrining this in law.

In 2008/9, 2.8 million children were living in poverty in the UK.

This is 600,000 children fewer than were in poverty in 1998.

This compares with a government target of 850,000 to be lifted out of poverty by 2004 and 1.7 million by 2010.

In addition to the human cost to families and children of allowing high levels of poverty to continue, our research estimates that child poverty costs £25 billion each year in costs to the Exchequer and reduced GDP.

Ending child poverty requires action in a wide range of policy areas including childcare; skills; the availability, quality and flexibility of jobs; families and parenting; and benefits and tax credits.

The UK government and the governments of Wales, Scotland and Northern Ireland have published child poverty strategies setting out their plans to meet the targets.

Why does child poverty exist in Britain?

A family with two adults and two children needs to have £352 each week in order to be above the poverty line. How do you think that compares to what your family has?

Many families living on a low income have only about £13 per day per person. This needs to cover:

all of their day to day expenditure, including necessities such as food and transport

occasional items such as new shoes and clothes, school trips and activities for children, and replacing broken household items such as washing machines and kitchen equipment

all household bills such as electricity, gas and water, telephone bills, and TV licences.

Source: [Barnados](#)

The distribution of child poverty in Britain

Government Office Region	% of Children in Poverty	
	Under 16	All Children
England	21.6%	20.9%
North East	25.0%	24.0%
North West	23.5%	22.8%
Yorkshire and the Humber	22.1%	21.4%
East Midlands	19.1%	18.4%
West Midlands	24.0%	23.3%
East of England	16.8%	16.1%
London	31.2%	30.8%
South East	15.2%	14.5%
South West	16.5%	15.8%

Source: [Office of National Statistics](#) 2008

One hundred years of poverty and policy

Causes, consequences and definitions of poverty in Britain have altered during the past 100 years. But a report published to mark the Joseph Rowntree Foundation's centenary concludes that the low incomes of a substantial minority in Britain still exclude them from the fruits of growing prosperity enjoyed by the majority.

It finds that today's 'poverty line' of 60 per cent of median household income is much higher in simple purchasing power terms than the measure devised by Seebohm Rowntree – which was based on the minimal costs of food and housing needed to maintain 'physical efficiency'. But as a measure of poverty relative to what most people are currently earning or can afford, the two measures are surprisingly similar. Comparisons between the 1899 report and figures for 2001/2 taken from the Family Resources Survey show that:

Just as a century ago, the biggest single group living in poverty are households with a working adult who earns low or irregular wages. However, the proportion of poor households placed in this category has fallen from 55 to 31 per cent.

Having a main wage earner who is out of work accounts for a higher proportion of poor households (9 per cent) than a hundred years ago (2 per cent).

Illness or old age of the main earner has become more important, accounting for 26 per cent of today's poor households, compared with 5 per cent a century ago.

Very large families (five or more children) have declined as a contributor to poverty from 22 per cent to 2 per cent of poor families.

There is now a substantial group of poor households (27 per cent) whose circumstances are not explained by any of the 'causes' identified by Seebohm Rowntree. These include lone parent families, students and others.

The proportion of men under 75 who are working has fallen from 93 per cent in 1901 to 67 per cent in 2001. Over the same period, the proportion of women who are in paid work has risen from 31 per cent to 56 per cent.

In 1899, poorer households spent over half their income on food. In 2001/2 food bills represented only a sixth of total household expenditure.

The poor families interviewed by Seebohm Rowntree were tenants. Today, renting is confined to one quarter of all households and many poor households are owner-occupiers.

Recording a century of change, the report describes how unemployment in the 1920s and 1930s became the leading cause of poverty. However, in the 1950s and 1960s the largest group living in poverty were older people.

Pensioner poverty declined in the 1970s, but in the 1980s levels of unemployment and lone parenthood increased at a time of rapidly widening income inequality. In 2000, a comparison among 15 European Union and other industrialised countries showed that only the United States and Ireland had worse relative poverty rates than Britain, and only the US had a worse relative rate of child poverty.

Drawing out policy lessons from the past for the future, the authors note that periods of progress in reducing poverty have occurred when policies have simultaneously tackled the causes and consequences of deprivation. The present Government's emphasis on policies that seek to deal with many different aspects of childhood poverty and disadvantage can be viewed as a sign of strength.

On an optimist's view of the future, current anti-poverty policies could create a virtuous circle where falling demands for welfare benefits free up resources to extend the scope for treating those who cannot work more generously.

On a pessimistic scenario, any success in tackling underlying inequalities could still be overwhelmed by widening wealth inequality and low rates of pay for unskilled workers in an increasingly cut-throat, global market. An ageing population could also place heavy demands on social spending, leading to tax increases and reduced political enthusiasm for spending on anti-poverty policies.

Source: [Joseph Rowntree Foundation](#)

B – Forced labour

Key issues

Indicators of forced labour include:

- threats or actual physical harm to the worker;
- restriction of movement and confinement, to the workplace or to a limited area;
- debt bondage, where the worker works to pay off debt or a loan, and is not paid for his or her services;
- the employer may provide food and accommodation at such inflated prices that the worker cannot escape the debt
- withholding of wages or excessive wage reductions that violate previously made agreements;
- retention of passports and identify documents, so that the worker cannot leave, or prove his/her identify and status;
- threat of denunciation to the authorities, where the worker has an irregular immigration status.
- Forced labour is thought to occur in a number of sectors and often involves work which is difficult, dirty and dangerous. Migrant workers in particular are vulnerable to forced labour situations.
- Although there is evidence of forced labour occurring in the UK – drawn from practical experience, journalistic accounts and research studies - there is a real need for more extensive and robust evidence.

Defining forced labour

The International Labour Organisation has suggested the following indicators of forced labour:

- threats or actual physical harm to the worker;
- restriction of movement and confinement, to the workplace or to a limited area;
- debt bondage, where the worker works to pay off debt or a loan, and is not paid for his or her services;
- provision of food and accommodation by an employer at such inflated prices that the worker cannot escape the debt;
- withholding of wages or excessive wage reductions that violate previously made agreements;
- retention of passports and identity documents, so that the worker cannot leave or prove his/her identify and status;
- threat of denunciation to the authorities, where the worker has an irregular immigration status.

Source: International Labour Organisation. (2005) Human Trafficking and Forced Labour Exploitation: Guidelines for Legislation and Law Enforcement. Geneva: ILO.

Figures from the Office for National Statistics show that in spring 2004 there were an estimated 272,000 jobs with pay less than the national minimum wage held by people aged 18 or over.

Source: [Office for National Statistics](#)

An example - The Polish workers

A group of Polish people came to work in the UK. They had expected to go to Southampton but were brought to Exeter to pack chickens for a major supermarket. Arriving late at night, they waited outside a house whilst inside frightened-looking Afghans threw their own things into bin bags before being driven away. The Poles spoke no English, had no money and didn't know who they were working for. They were not employed directly by the factory supplying the supermarket but subcontracted in a complex supply chain through labour agencies. They were taken by van to a 2-10pm shift. There was no furniture in the house, but there were mountains of rubbish, piles of syringes, soiled mattresses on the floor and a terrible smell. Twenty people slept there, three and four to a small room. They were threatened with eviction and loss of two weeks' wages by their gangmasters if they told anyone about their conditions. They were also told to be very quiet and not go out in groups or the police would come. They felt intimidated. They had been recruited in Poland by an English labour agency. The agency had promised the minimum wage (then £4.50ph), good accommodation for £25 per person per week, and lots of overtime. They received neither work nor wages in their first week. Contracts they signed were made without translation. Although they were sleeping on the floor in the kitchen and sitting-room (and the legal maximum rent for those on the minimum wage is under £25), they were told they must pay rent of £40 each. This was deducted weekly from their pay. Several were given the same National Insurance number. They had tax deducted at a high emergency rate. The Tax Office said it had not yet received payments for them. After deductions, they were getting just £115 a week for 40 hours (£2.88ph). Another £15 disappeared without explanation. Most had not registered with the Home Office because they could not afford the £50 required, but this made them vulnerable to deportation. The workers finally managed to escape after a local trades union became aware of them.

Source: Lawrence, F. 'Special investigation. Polish workers lost in a strange land find work in the UK does not pay', *The Guardian*, 11 January 2005

An example – Domestic workers

Rita escaped from her abusive employer who owns a house in Kensington on 17 November 2000 and went to Kalayaan, an organisation set up to assist migrant domestic workers, the same day. Rita arrived in the UK with her employer in May 2000. She was forced to work from 6.30am to 11.30pm and was not given any time off apart from one hour each Sunday to attend church. Rita's employers would pull the plug out of the phone if she tried to contact her friends and locked her into the house when they went out to prevent her from leaving. She was forced to sleep on the floor in the kitchen and subjected to constant verbal abuse. Her employers also took her passport and told her that if she left her job she would be deported back to India. While recent changes to UK legislation allow domestic workers to leave their employers for any reason and seek work elsewhere, many migrants do not know this. Domestic workers applying for visas to work abroad should be interviewed separately from their employers and informed of their rights, but this is rarely done. In Rita's case, her employer was present when she was interviewed for a visa in India and told her what she should say. In these circumstances it is difficult, if not impossible, for migrants to ask questions about their immigration status or their right to change employers once in the UK. However, even if Rita had known what her rights were, without her passport she could not prove that she had a visa and permission to work as a domestic in the UK, thereby making her vulnerable to deportation. Rita was told that she would receive £150 per week while working in the UK. In reality her employers only agreed to pay her £75 per month which they claimed they were sending to an account in India. However, Rita is not yet sure if any money has been paid into that account and Kalayaan say that, based on their previous experience of similar situations, it is extremely unlikely that any payments have been made. Government regulations concerning the employment of foreigners often makes the situation worse by only allowing domestics into the country to accompany their employer. The fact that the migrant does not have a work permit in their own right makes it impossible for them to change employers. Employers can also with-hold wages until they have accumulated several months of backpay, thereby making it much more difficult for the worker to leave. This, combined with their isolation and precarious legal status, leaves migrant workers extremely vulnerable and many are subjected to a range of human rights violations, including physical and sexual abuse as well as forced labour. It is not uncommon for migrant workers caught in this situation to be children.

Source: Anti-Slavery International
http://www.antislavery.org/includes/documents/cm_docs/2009/f/forcedlabour.pdf

C – Poverty and ethnicity

Key issues

Existing research shows that ethnicity clearly has a relationship with poverty. However the ways in which the two are linked are complex and the relationship between them is not yet well understood.

There are much higher levels of poverty among all ethnic minority groups than exists among the majority white population. However, great variations exist between ethnic minority groups and within them (as well as within the majority white population).

Explanations for the high levels of poverty among ethnic minority groups currently fall into three main areas:

- Work status and employment rates;
- In-work poverty;
- Out-of-work poverty.

Causes

There are stark differences in poverty rates according to ethnic group. Risks of poverty are highest for Bangladeshis, Pakistanis and Black Africans, but are also above average for Caribbean, Indian and Chinese people. Muslims face much higher poverty risks than other religious groups.

The differences in poverty rates are found across poverty measures (income poverty, material deprivation) and across sub-populations (older people, children). The high rates of child poverty in some groups are of particular concern, both for their present welfare and their future opportunities. Over half of Pakistani, Bangladeshi and Black African children are growing up in poverty.

Evidence suggests that there is variation between ethnic groups in both the reasons for lower sources of income (for example, lower and less regular earnings, lower use of particular benefits) and in the numbers of people likely to need supporting from low income.

Educational qualifications, employment sector, labour market experience, discrimination, location, disability, ill health and family form and structure all play a role in different poverty rates.

When the contribution of individual characteristics (such as fewer qualifications) to employment disadvantage is analysed, there are some unexplained outcomes. For example, Black Africans have very high rates of higher education qualifications, but also suffer from high rates of unemployment and poor occupational outcomes. This 'ethnic penalty' includes the effects of discrimination.

There also appear to be 'ethnic penalties' in access to social security benefits and other financial support.

Ethnic differences in rates of poverty

The review found that all identified minority groups had higher than average rates of poverty. Rates of poverty were highest for Bangladeshis, Pakistanis and Black Africans, reaching nearly two-thirds for Bangladeshis. Rates of poverty were also higher than average for Indian, Chinese and other minority group households.

These differences were found, in roughly the same order, when sub-populations such as pensioners or children were considered. For example, Indian and Caribbean pensioners were poorer than white pensioners and Pakistani pensioners were poorer than Indian pensioners. Child poverty rates were greater than adult poverty rates across groups, so that children from minority groups were poorer than both white children and adults from their own ethnic groups. Around 70 per cent of Bangladeshi children were poor.

Differences in poverty by ethnic group were also found when using such measures of poverty and deprivation as lack of material goods and duration of poverty, as well as income insecurity. Deprivation is a wide-ranging term, and can mean slightly different things depending on the context. It can cover a lack of material possessions, such as warm clothing; housing stress, such as leaky roofs; opportunities for social activity, such as having friends round; or anxiety about making ends meet.

Bangladeshis had the highest poverty levels for most measures. Poverty for this group also appeared to be more severe and long-lasting than that in other groups. Pakistanis were nearly as poor as Bangladeshis on many counts, but there were differences in degree. Pakistanis seemed to have different patterns of material deprivation. For example, one study found that Bangladeshi children were highly likely to be deprived, but Pakistani children were not. Instead, Black African children were the second most deprived group.

There were quite different patterns for levels of social contact and money worries across the ethnic groups. Bangladeshis and Pakistanis did not appear to be lacking informal social contact, but Black Caribbeans and Black Africans, particularly women, did. Caribbeans experienced the greatest levels of anxiety about finances. White British people were the least likely group to be in poverty, but those claiming means-tested benefits experienced the greatest persistence of low income. So, although there is broad consistency in the 'poverty ranking' of ethnic groups, poverty is expressed in different ways across the groups.

In addition to extensive differences in experience between groups, there is also substantial variation within groups that is not adequately captured by existing categories. Recognition of within-group diversity challenges the forms of explanation based around ethnicity or religious affiliation. The intersection between these two can also complicate understanding of disadvantage. Nevertheless, recognition of this diversity should not detract from the high risks of poverty associated with particular ethnic identities or categories.

Differences in income

The research found evidence of ethnic differences in employment income, savings, assets and benefits. Many minority groups had no savings, though the Indian group was an exception. The contribution of benefits to household income has not been analysed by ethnic group, but minority groups received fewer contributory benefits. Some groups were, instead, high users of means-tested benefits, which suggested low incomes in the first place. There are also issues about take-up – the extent to which some minority groups actually claim or receive their benefit entitlement.

It was clear that low income from employment was a central issue in causing poverty, impacting on those of all ages, including those of pension age. Lifetime employment records and earnings affected the amount of pension income pensioners received and there were clear differences in the extent to which different ethnic groups had private pension provision. In addition, pensioners do not necessarily live alone – and indeed, multi-generation households are much more common among Pakistani, Bangladeshi and Indian households. Thus, older people could benefit, or suffer, if those of working age in the same household were or were not in (well-paid) employment.

There are large differences in employment rates across ethnic groups. Unemployment rates and economic inactivity rates were higher than the national average for all identified minority groups. Rates of pay also differed substantially, with Bangladeshi men facing particularly low rates of pay. This meant that both in work and out of work, Bangladeshi households faced high poverty risks.

Source: [Joseph Rowntree Foundation](#)

D – Education and poverty

Key issues

Children growing up in poverty and disadvantage are less likely to do well at school. This feeds into disadvantage in later life and in turn affects their children.

Research so far indicates that:

- Socio-economic differences affect children's learning through a range of factors.
- Some influences are felt inside school, interacting with children's attitude towards education.
- Others occur outside school, but are nevertheless important for learning and development.
- Children from different backgrounds have diverse experiences and develop different attitudes, despite also having many things in common.
- The aspirations, attitudes and behaviour of both parents and children play an important part in explaining the gap between richer and poorer children's educational attainment.

Only by understanding the varied factors influencing social differences in education will it be possible to design effective responses in policy and practice.

A key message of the evidence is that equality of educational opportunity cannot rely solely on better delivery of the school curriculum for disadvantaged groups, but must address multiple aspects of disadvantaged children's lives.

There is no single explanation for why learners from poor backgrounds do badly in educational terms. Rather, there are multiple factors implicated at the individual, immediate social and broader societal levels. There are no magic bullets that will enable such learners to perform as well and derive the same educational benefits as their more advantaged peers. Instead,

what are needed are interventions which address the full range of factors and which operate at all three levels.

The individual focus

These studies highlight concerns about individual identity and actions and about notions of hereditary differences, particularly IQ levels:

- The individual is seen as having high levels of choice. This approach recognises the importance of mentoring programmes to provide opportunities for broadening networks of influence for young people.
- Some research focuses on notions of inherited capability and intelligence that pre-ordains an individual's ability to succeed in society. These inherited capabilities mean individuals have few opportunities to improve the position into to which they are born. This approach has been heavily criticised methodologically, theoretically and morally.

Immediate social context

These studies examine the social and cultural effects that peer groups, families and neighbourhoods have on young people and their understanding of, aspiration towards, and capability within schools. The studies also look at how schooling and other public services have aided or constrained educational achievement. The main themes in this work are:

- Poor neighbourhoods are characterised by a lack of employment and effective public services that is likely to affect self-esteem and a lack of resources that results in poor health and diet. All of these taken together affect the ability of families to support young people through education.
- Different neighbourhoods and communities can provide different levels of social and cultural capital. These can alleviate some material aspects of poverty and improve opportunities for educational success for certain groups of young people.
- Effective parenting is central to young people's educational success. This is linked to the educational aspirations of parents, support and stimulation for young people in the home, secure and stable home environments and participation within school.

- Schools can make a difference in 'challenging' areas. This is heavily influenced by the make-up of schools, the constraints that poverty exerts on the schools, the capabilities of teachers and the nature of educational markets in such areas.
- Improved public sector service delivery can improve access to and achievement within school but professional and organisational boundaries constrain effective multi-agency working.

Persistent poverty in Britain - Lesson 1 Presentation A3 worksheet

	Causes	Distribution	Indicators (key data)
Child Poverty			
Forced labour			
Ethnicity and poverty			
Education and poverty			