

Persistent poverty in Britain

Challenge Overview Sheet

Chairman: Mark Easton – BBC Home Affairs Editor
Panel members: Frank Field MP
John Bird MBE – Founder of The Big Issue
Julia Unwin – CEO Joseph Rowntree Foundation

Mark Easton opened the discussion by stating that poverty is inevitable, poverty is viewed as one's own fault and therefore the poor tend to be blamed for their own misfortune. In order to reduce the poverty gap there needs to be a redistribution of money and this requires social engineering.

Frank Field MP responded with the findings of the independent review that had been undertaken in December 2010 *The Foundation Years: preventing poor children becoming poor adults* *The report of the Independent Review on Poverty and Life Chances* HM Government. Field suggested measuring life chances rather than measuring against a poverty line. The Labour government had a target to abolish child poverty over the next 20 years through tax credits and redistribution of £150,000 million. But the target was not reached (not even halved). Studies have shown that at 5 years old you can predict where a child will be in their early twenties. However, income based assumptions cannot determine the level of poverty alone. Evidence suggests that the early years and parental influences play a significant role but whether a child has the opportunities to break free from those challenges is the key to getting out of poverty. The solution is practical support. For example, transferring cash payments to service provision.

One example of a social enterprise model is The Big Issue and **John Bird** argued that poverty is an essential ingredient of today's economic system (e.g. cheap goods are cheap because people who live poverty in the countries where the goods are produced). The crisis will come when we run out of poor people to exploit. In the 1980's we lost the need for the poor/working classes. When we needed the poor, there was a system which allowed young offenders to be taught to read and write, thus providing new opportunities for them. The problem at the moment is that too much time and money is spent on the poor. What is lacking is that there is no opportunity for social mobility.

The government today manufactures poverty. It uses the benefit system to mask the problem. Social mobility should be the top of the agenda. The poor have had the opportunity to get out of poverty removed by the government. The argument against giving poor people money was that they would not spend it wisely. The system is against the poor joining the middle class!

The CEO Joseph Rowntree Foundation **Julia Unwin** responded with three key ideas 'Poverty, place and empowerment'. Persistent poverty is that which develops among individuals, between generations, within geographical areas, in the population as a whole over time. The causes of poverty are often seen as loss of job, divorce or illness. But these are short term and people tend to recover. Over time only 1/3 of people who get a job (following living in poverty) stick with it.

Between generations 20,000 families have more than two generations who have not worked. The gap in the early years is huge, but by the time they hit teens it is bigger. If by the age of 16 you are doing well, you are likely to continue to do well. Within geographical areas – how do you ensure a place does not remain in persistent poverty. As a population as a whole over time counting people who are poor using a number of indicators.

A selection of Q&A from the discussion session

Q - How do we change what is going on today?

JB – Develop social initiatives and encourage self-help.

JU – Management of the labour market. The problem is lack of ideas to address poverty

FF – jobs no longer exist for people in geographical places of poverty. Capitalism has a fundamental fault – we are rewarding some jobs and not others. The education system places great emphasis on success and failure. How do we ensure a fair wage for those who have not been successful in the education system?

JU – We have an ageing population and we have requirement to change our behaviour in relation to climate change. We will need the work done – care system and green technology. The system currently subsidises poorly paid work.

Q - Should a living wage be introduced as opposed to a minimum wage?

JB – It costs £4 to provide £1 in benefit. We need to look at why we are not creating new industries and education?

Q - Is the problem that English people do not want to do the low level jobs?

A reduction in public sector jobs will result in ever fewer jobs at the low wage level being available.

ME – Jobs have in the past been created in the public sector in areas of geographical poverty. But these are artificial.

Q - If there is one thing we can take away from this evening about what we can do, what is it?

JU – We need to talk about people in a different way. They have rights and we need to remove the barriers.

JB – Self-help.

FF – Google your own location and see whether there is something you can do to help.