

POVERTY: THE KEY CHALLENGE FOR REGENERATION

*Scottish Urban Regeneration Forum
15 September 2005*

I am honoured to be giving the SURF Annual Lecture for 2005. The Joseph Rowntree Foundation has been very pleased to be a supporter of SURF over the last six years and we are strengthening our links in sponsoring further work through Andy Milne.

The last JRF event here in Edinburgh was our Summer School in July and we were delighted that Alistair Grimes was one of our eminent speakers. The Summer School – for 30 “leaders of tomorrow” from the Voluntary and Community Sector – coincided with the G8 Summit at Gleneagles and the Live 8 concert at Murrayfield. I guess many of our “class of 2005” – all “leaders of tomorrow” from the voluntary and community sector throughout the UK – will associate Scotland with campaigning against poverty. And international poverty, astonishingly, has continued to be a highly topical theme with the revelations in the wake of Hurricane Katrina of that “soft underbelly” of poor – almost entirely black – families living in the midst of affluent America today. The world is asking how we can all not only *Make Poverty History* in Africa, but how we can do that in the United States.

So what about poverty in the UK? And what is its relevance to an audience of Regeneration practitioners and participants?

This SURF lecture is in four parts. I want to begin with a look at poverty in the UK; then consider aspects of poverty and work; then offer some thoughts on poverty and place; with a concluding section on poverty and public attitudes.

1. UK Poverty

Here in the UK we can count at least some blessings. First, the absolute poverty of starvation and desolation is – barring the cataclysmic disasters of nuclear war or wipe-out from climate change – virtually conquered. Yet it is not so very long ago, when Joseph Rowntree was a teenager, that he witnessed in Ireland the ravages of the potato famines which halved the population in the 1840's – with very little help from the other citizens of the British Isles. We have moved a long way since Joseph's youth.

Second, on a par with the very best practice in Europe but beyond the imaginings of almost every other country, the UK is committed to ending child poverty – if not by 2020 as is currently pledged, at least “within a generation”. And broadly this same target exists for pensioner poverty.

Third, we are seeing some real and genuine progress in these directions: we are nowhere near reducing inequalities for the numbers of households living below 60% of median incomes to the levels before 1980. But the pendulum is swinging in the right direction and, in this lecture, I look at how those of us in this room may contribute to moving that pendulum further and faster.

On the face of it, a lecture organised by a Regeneration-based organisation might not ask its speaker to tackle the theme of Poverty.

Of course, there is always the cop-out for your lecturer in interpreting the title very comprehensively: poverty of environment, poverty of access to services, even poverty of spirit or of aspirations. All the ways in which people can be excluded from mainstream society – by poor health, lack of education, poor parenting, the miseries of crime and antisocial behaviour and the rest – all these are key components in the hardships of deprived

and disadvantaged lives. But I want to concentrate on money, on the spending money which people control for themselves, not the services which others decide should be delivered. I want to look at income poverty, the shortages of cash for everyday expenditure without which people are demeaned and excluded. And I ask the question: how can we Make UK Poverty History?

Let us start with the dry facts. With the definition of poverty – used also in other EU countries – as households with less than 60% of the national median disposable income after housing costs – a fifth of the UK population are still living in poverty. The good news is that we have dropped from a peak of 14 million people in 1996 to the levels last recorded in the late 1980's. The bad news is that we are less than half-way back to the 8 million level recorded in 1981, in the early Thatcher Years. We still have a mountain to climb.

Within the headline poverty statistics, it remains the case that a quite disproportionate number of poor households comprise families with children. Children are 2½ times more likely to live in a poor household than adults and around 3 in 10 children – 3.5 million in the UK – currently do. While giving considerable credit to the government for policies that have reduced the levels of child poverty by around a million, these figures remain frightening.

Progress in poverty reduction for pensioners, while even more impressive, still leaves us with unacceptable numbers. And – so easily forgotten while government concentrates on children and pensioners, we need to note that poverty amongst adults under 60 who have no children and are out of work has actually deepened in the past 8 years.

While I do not want to bore you with more arid statistics, perhaps a brief rundown of the Scottish figures would help. For more detail, I strongly recommend the Poverty Alliance's briefing which came out last month:

- overall, the numbers of people in poor households has fallen from 25% in the peak year of 1996/97 to 19% last year, here in Scotland;
- for children, the fall is from 33% to a – still pretty appalling – 25%. A quarter of children in Scotland – over a quarter of a million of them – are excluded from the mainstream because of poverty;
- the figure for pensioners is down impressively from 30% to 18%, reflecting the position across Great Britain but leaving 160,000 older people in poverty in Scotland;
- a marginal fall is recorded for working age adults not in families with children, from 20% to 18%, attributable principally to better levels of employment. But the figure that remains for poverty in this group – 540,000 people – is actually more than the numbers of children and pensioners combined.

What exactly do these figures mean, in human terms? When Seebohm Rowntree did his famous studies of poverty in York, starting at the beginning of the last century, he calculated what was needed for the “necessities” of life. We have developed this technique, principally through Professor Jonathan Bradshaw at York University, to discover what the wider public believes to be the basic essentials. These surveys suggest very similar proportions of the population to be “in poverty” as are calculated by reference to *households on below median incomes*. The

“basket of goods” technique explains what families have to go without because they cannot afford them:

- about 4 million people do not have enough money to afford fresh fruit and vegetables or two meals a day;
- 6.5 million adults go without essential clothing, such as a warm, waterproof coat;
- 4 million children are without at least one essential item such as adequate clothing, a healthy diet, an annual one week’s holiday away from home, or social activities and school outings;
- one in 25 children cannot have a birthday celebration.

And, of course, it is not just about having things that the rest of us take for granted. It is about the adverse consequences for the life chances of children and adults who live in the lowest-income households:

- your chances of getting 5 GCSE passes at Grade C or above, or equivalent Higher grades in Scotland, are reduced by well over a half if you come from a low-income family;
- life expectancy has now widened to 7 years between professional men and those from unskilled backgrounds;
- the poorest fifth of the income distribution are twice as likely to develop a mental illness as those on average incomes;

- adults in middle age are twice as likely to have a long-standing illness or disability if they are in the poorest fifth of the population compared with those on average incomes;
- children from low-income backgrounds are 1½ times more likely to die as infants than children from non-manual social backgrounds;
- and, of course, children born in poverty have a higher risk of becoming poor adults and, in turn, having children who live and die in poverty.

2. Poverty and work

Last year the Joseph Rowntree Foundation released a report we commissioned from the New Policy Institute on Poverty and Social Exclusion in Scotland. This analysed trends over the previous five years using 40 different indicators, with the good news that twice as many indicators showed improvement than the number that had grown worse. There were better results in secondary schools, fewer pregnancies among girls under 16 and a big fall in burglaries. And Scotland's health – even though premature deaths remained about a third higher than for the rest of England and Wales – showed signs of improvement. But with work as the main route out of poverty, working age adults without dependent children were faring badly both because those out of work were on benefits that have stayed unchanged in real terms for a decade and because of low pay for those without Higher grade qualifications. Moreover amongst those “economically inactive” who are not officially unemployed, the report found little change to the 200,000 people who said they wanted to work.

It is through work that wealth is redistributed. Through tax credits, low paid work can be made more rewarding. The JRF worked with the incoming New Labour government when it was devising its policies for Earned Income Tax Credits and it is galling that the administrative system for tax credits has been undermining this powerful measure for “making work pay”. And even when the admin is ironed out and those with low paid jobs receive a lot more, I do worry that some of the early New Deal ideas for promoting employment have fallen by the wayside. The WISE group in Glasgow demonstrated the value of cultivating an Intermediate Labour Market. ILM schemes – of which the WISE example may well be the best – get people into on-the-job training and a proper wage, through fulfilling public sector and other contracts supplemented by subsidies for skills training.

In an ex-coalmining village in South Yorkshire last month, I was struck by the number of signs outside the factories in the New Business Park wanting labour, while across the road on the large ex-Coal Board estate aimless young men hung about with nothing to do. I hope you here in Scotland will head the advice of Tomlinson and others on the value of vocational skill-building for those in the 14-17 year age group, whom the education system is currently failing.

I know that the Scottish Executive is pursuing plans to tackle poverty by “Closing the Opportunity Gap” with areas covered by Community Planning Partnerships, and many of the objectives and targets relate specifically to employment. It was good to see also a renewed emphasis on regenerating the most disadvantaged neighbourhoods, not least so that people there can take advantage of job opportunities. And this Scottish initiative rightly notes that disadvantaged people may also be found disproportionately in rural communities. Targeting Place, as Community Partnerships do, can provide

the biggest bang for the public buck in addressing poverty and I want to move on to consider the issues around Poverty and Place.

3. Poverty and Place

Poverty seriously affects your life chances. And at the interplay between Poverty and Place, between low incomes and where people live, we see the connection to the Regeneration agenda. The first Director of Shelter Des Wilson, wrote a book in the late 1960's called "I Know It Was The Place's Fault". The tragedies that befell so many families stemmed from the place where they lived. Of course Des was talking of the house, the flat, the room – the overcrowded, unsafe, insanitary conditions; the dreadful landlords; the cockroaches and rats; and the rest. Today we see Place in its wider context of the neighbourhood but we still can say "I Know It Was The Place's Fault".

Concentrating and segregating poorer households makes it a far harder task for people there to lift themselves above the poverty line. Social mobility – bettering yourself over a lifetime – is going to be far more difficult if the place where you live undermines your own efforts and the efforts of those wanting to give you a hand-up. If this is the place where all those on the lowest incomes and most likely to experience disadvantages are congregated together, then schools are likely to find their job tougher, other services are likely to be overloaded and will fail the citizen. Good neighbourliness and support for struggling parents from those who live around them, can be overwhelmed. And concentrated poverty can undermine public and voluntary sector efforts.

It is not so much a case of the Post Code lottery: the results of this lottery are predictable. Those in the most disadvantaged Post Code areas are the

least likely to succeed through the educational system and take advantage of employment opportunities. Bunking off school becomes the norm and school exclusion can be a badge of honour. Cultural influences become reinforcing: places used to failure cultivate low aspirations. Teenage pregnancy becomes acceptable – despite the probability of it leading to a lifetime of poverty. Place can compound the problems of Poverty.

Professor Bruce Katz of the Brookings Institute in Washington was one of two speakers to a JRF special Centenary Event last year: “deconcentrate poverty”, he said, “reduce its pervasiveness by investing sufficient to turn low-demand neighbourhoods into places where people choose to go; and make sure the left-behind places are re-connected with the opportunities outside them: ie *areas of choice*, with a mix of incomes, not just the poorest; and *areas of connection*, to the wider urban area, not inward-looking places outwith, and excluded from, the world around.

Important work on the comparisons between the 2001 and the 1991 Census figures for us from Professor Danny Dorling at Sheffield University show how the tendency for people to move apart, separating richer from poorer, has accelerated. Those who can afford it, leave the unpopular Council estate; their place is taken by poorer households who may bring other problems with them. Then more people want to leave and the cycle becomes a spiral.

A JRF report last month from Professor Roger Burrows at York University explained the flourishing business of internet websites that can now categorise local areas by their social characteristics: these insidious websites increase the refinement with which house purchasers distance themselves as far as they can from the areas where those without choice must live. And environmental degradation – proximity to industrial hazards

but also low quality environments where graffiti and dog dirt dominate – accentuates the negatives for low-income households.

It is the special role of the JRF to “search out the underlying causes of social ills” rather than, as Joseph said “to meet the superficial manifestations of the problem”. And as we look for the underlying causes of persistent poverty, for the reasons why anti-poverty measures fail, we find the answer so often relates to the area where the household lives.

So in addressing poverty, and the inequalities between households, it is of huge importance to address the problems of Place, the inequalities of geography. Government talks of ensuring that no-one is disadvantaged simply because of where they live: but that requires a real reversal of current trends. Public Service Agreements and Floor Targets encourage service providers – particularly local authorities – to pay attention to where poverty is greatest. But for all the neighbourhood renewal strategies, the Social Inclusion Partnerships and now the Community Planning Partnerships, it is the reinforcing tendency of concentrated poverty that makes solutions so much harder to achieve.

It is not a matter of inventing more new initiatives. Talking of all those introduced since 1997, Professor Alan McGregor from Glasgow, in a report from the JRF, writes about the plethora of government initiatives for improving neighbourhoods: “more visions than Mother Theresa; more pilots than British Airways”. But, with or without new labels, this is where those involved with Urban Regeneration, and those engaged in the fight against poverty, come together.

This afternoon I am chairing a meeting in East Pollockshields where the JRF is supporting one of four Scottish projects in a national network of 20 in

the UK where local communities are building solutions to local problems. The Leader of Glasgow City Council is speaking, as are local activists. There will be governance issues about the extent to which power is being devolved to the community level, or not. And there will be issues around resources, as there always are.

Disadvantaged areas do need the engagement of those living there if they are to change; but they also need serious investment, not just in the fabric of the place but in the people, their opportunities: and their incomes, what people spend for themselves, taking their own decisions – as opposed to what services they receive at the hands of others – makes a difference to self-respect, to the perceptions children have of parents, to the attitudes families have to the wider world around them.

4. Poverty and Public Attitudes

All these initiatives – area regeneration, and support for individual households whether through employment and training schemes or in enhanced benefits for those outside the workforce – cost money, even if the public expenditure actually represents an investment for the longer term. To persuade the Scottish Executive or Westminster Parliament that tackling poverty should be a national priority requires more than statistics, more than research evidence, more than an analysis of “what works”. If poverty reduction is to become a core issue for politicians, it must first become a matter of greater public concern. This brings me to the final part of my lecture, to the question of public opinion and the power of the electorate.

According to the British Social Attitudes survey, a third of the population think poverty is “an inevitable part of modern life”. Almost as many blame laziness or lack of willpower on the part of those who are poor. Only a fifth

consider poverty reflects social injustice. Four out of ten people think there is “very little” poverty in Britain. And a recent survey for the Fabian Society suggests that the average citizen, earning the average wage, associates poverty with alcohol and drug misuse, violent fathers and bad parenting.

Against this set of public attitudes, it is hard for even the most enlightened politicians to talk of redistribution from richer to poorer. When Gordon Brown gave the JRF’s Centenary Lecture last year – the other speech, alongside Bruce Katz’s - he said he needed more pressure placed upon him from the public and the media before he could make poverty the priority he wished.

At the end of our centenary year, we undertook to see if we could play a greater role in achieving a shift in perceptions of poverty among the wider public. Can we not persuade the citizens of this country that the issue is of significance not just in the Developing World but here at home? In our favour is the knowledge that there is nothing prohibitive about the cost. Calculations for us by the economist Donald Hirsch show that we do not even need to lower the living standards of the rich to bring those below the line up to 60% of median incomes. If economic growth was to be targeted toward the poorest households, disproportionately increasing their incomes but still allowing everyone’s to rise, then just £1 out of every £15 of future economic growth could enable us to conquer poverty over 20 years. The sacrifices for the prosperous majority would be relatively small, but the gains in social justice and cohesion for the poorest quintile would be enormous.

How can we drive these messages home?

At the JRF, we are organising a Public Interest in Poverty Issues (PIPI) programme, with an Advisory Board that includes Damian Killeen – well known to many of you here – and is chaired by the author, journalist and broadcaster, Libby Purves. We have commissioned research to discover which messages and “killer facts” are likely to prove most effective with our target audiences. And we already know from work that MORI carried out for the Fabian Society that people do change their views when the facts are properly presented to them: they begin to see that being poor does not make you a “bad parent” but that it is difficult to be the best of parents when living on benefits and stigmatised by your status and your address. People begin to understand the indisputable evidence that poor families mostly spend increased income on meeting children’s needs, rather than cigarettes and booze. Above all, ordinary people are distressed to hear the voices of children and adults who are experiencing poverty – like the mothers in disadvantaged neighbourhoods that the JRF invited to talk about their lives last year:

“I live on baked potatoes for a week – so that Becky (aged 10) gets the meat – all the good stuff, because I can’t afford it for both of us”;

“I hate Sunday when you’ve got so little money left and you hear the ice-cream van go ding-dong and the kids run out and want one – they’re £1 each.”

We know that the only way to reach the wider electorate, the general public, is through the media. We are in talks with people at the BBC, including the Children in Need team, to raise the issues and tell the human stories behind the statistics. We need to reach people through newspapers and magazines that they routinely read and trust, including

the regional and local press, and women's magazines. Like Bob Geldof and colleagues in the international context, we need to build a critical mass of support and excitement, so that even the most sceptical mass market newspapers are obliged to go with the flowing tide of opinion among their readers (and their media competitors) and join in.

We know that government policies do make a big difference – economic and social policies affect jobs, taxes and benefits, and can redistribute both resources and opportunities. Inequalities have grown or contracted as a direct result of government action. Politicians will only be bold enough to go further if they feel their voters, the mood of the country, is behind them. We want to influence that mood.

This is ambitious stuff, not least for a foundation whose traditional, behind-the-scenes strength lies in feeding the findings and implications of its social research programmes relatively quietly into the policy-making process. We know we must build new alliances and coalitions with voluntary organisations and pressure groups whose experience of campaigning far exceeds our own. In short, we will require the support and participation of many of you and your equivalents south of the border. Indeed, I do not believe we do enough, post devolution, to make cross-border comparisons of our differing approaches to similar challenges. I hope, not least through SURF, we can do more together.

In Conclusion

Poverty persists here in Scotland as in the rest of the UK. To end child poverty, and pensioner poverty – and to tackle that lowest of priorities yet most persistent, the poverty of working age households without children – requires renewed effort. But the evidence is now clear, not

just from other Northern European countries but from the recent changes here: government policies do make a difference. Change can be achieved.

Work is still the main route out of poverty and initiatives that build skills should not be downgraded now official figures for unemployment look better.

And Poverty is linked so often to Place, to the effects of concentrating and separating poorer households rather than creating places of choice and places of connection.

Finally, the battle cannot be won, in a democracy, without widespread popular support. For that, we will all need to become more sophisticated in our approach, and more united.

But the goal, in terms of a fairer, more united nation where lives and life chances are no longer blighted by blatant poverty and inequity, is a real possibility: the cost is by no means prohibitive and redistributing the fruits of economic growth can be relatively painless. Politically, we may never see a better opportunity to secure lasting change.

Those in the field of regeneration are in the front line of the fight against poverty and I hope very much that, together, all of us concerned with the problems both of Poverty and of Place can create the climate of public opinion that makes the politicians brave enough to do what they know they ought to do and *make UK poverty history*.

RICHARD BEST 14 September 2005.



Scottish Urban
Regeneration Forum

SURF : sharing experience : shaping practice

SURF Annual Lecture 2005

Thursday 15th September 10.00am - 1.00pm

The Royal Society, George Street, Edinburgh.

Guest Attendance.

Name	Organisation
John Player	Adult Learning Project
Carolyn Sawers	Big Lottery Fund
Douglas White	Blake Stevenson Ltd
Stephen Phillips	Burness LLP
Fay Gatenby	Capital City Partnership
George Pitcher	Capital City Partnership
Shulah Allan	Capital City Partnership
Brian Denholm	Capital City Partnership
Jim Rafferty	Capital City Partnership
Mike Chapman	Capital City Partnership
Kaliani Lyle	Citizens Advice Scotland
Alan Howie	City of Edinburgh Council
Angiolina Foster	Communities Scotland
Elizabeth Mackin	Communities Scotland
James Hynd	Communities Scotland
Madeleine Sullivan	Communities Scotland
Roddy McDonald	Communities Scotland
Thomas Glen	Communities Scotland
Eileen Stirling	Community Representative
Jim Porter	Community Representative
Rose Gibson	Community Representative and Adult Learning Project
Brian Chaplin	Consultant
Marilyn Workman	Consultant
Peter Taylor	Consultant
James Henderson	Craigmillar Capacity Building Project
Graham Rowan	Craigmillar Partnership
Johann Lamont MSP	Depute Minister for Communities, The Scottish Parliament
Wendy Reid	DTA (Scotland)
Jim Dunlop	Dundee Partnership
Rod Crawford	Dundee Partnership
Jimmy Dodds	Dundee Partnership (Explore Dundee)
Valerie Stewart	East Renfrewshire Council
Carol McGowan	EDI Group
Ian Wall	EDI Group
Jim Kelly	EDI Group
Milind Kolhatkar	EVOC
Jeff Frew	EVOC
Grace McClure	Falkirk Council
Jo Tibbles	Falkirk Council
Beth Brewis	Forth Sector

Alan Davidson	Glasgow City Council
Alan Johnston	Glasgow Housing Association
David Fletcher	Glasgow Housing Association
Duncan McLean	Glasgow Housing Association
Eleanor McLean	Glasgow Housing Association
Helen Jackson	Glasgow Housing Association
June Taylor	Glasgow Housing Association
Kirsty Fotheringham	Glasgow Housing Association
Margaret Brittain	Glasgow Housing Association
Margaret Crawley	Glasgow Housing Association
Maura McGregor	Glasgow Housing Association
Richie Carroll	Glasgow Housing Association
Sadie Docherty	Glasgow Housing Association
Martin Taulbut	Govan Initiative
Martin Ogilvie	Greater Pollok Development Company
Fiona Doring	Impact Arts
Jim Corrigan	James Watt College
John Bonnar	John Bonnar Consultants
Derek Williams	Joseph Rowntree Foundation
Catherine Stihler MEP	Labour Party of the European Socialists
Akwugo Emejulu	Linked Work and Training Trust
Frank Colston	Linkwide Ltd
Rhona Penman	Linkwide Ltd
Lynn McDonald	Manor Estates Housing Association
Gaynor England	Moray Against Poverty
Ron McQuaid	Napier University - ERI
Margaret Wright	Resolution Scotland
Craig McLaren	Scottish Centre for Regeneration, Communities Scotland
Jim Carruth	Scottish Centre for Regeneration, Communities Scotland
Pam Dawson	Scottish Centre for Regeneration, Communities Scotland
Billy Mitchell	Scottish Enterprise Dumfries and Galloway
Euan Dobson	Scottish Enterprise National
Alisdair McIntosh	Scottish Executive
Alison Byrne	Scottish Executive
Christina Bruce	Scottish Executive
David Fitch	Scottish Executive
Douglas Hamilton	Scottish Executive
Richard Rollison	Scottish Executive
Stephen Devine	Scottish Executive
Martin Sime	SCVO
Dr Jean Turner MSP	The Scottish Parliament
Katie Mackie	The Scottish Parliament
Pauline Aaron	The Scottish Parliament
Alison Quinn	The Wise Group
Andy Jack	The Wise Group
Colin Armstrong	The Wise Group
Gerry Croall	The Wise Group
Natalie Hunter	The Wise Group
Charles Bryden	Thomas and Adamson
Fiona Stuart	Tullochan Trust
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