

Webb Memorial Trust

the
society
we
want

Barry Knight

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The Webb Memorial Trust
is a registered charity
established in 1944 as a
memorial to Beatrice Webb
(charity number 313760)



The Webb Memorial Trust exists to pursue the intellectual legacy of Beatrice Webb (1858–1943) who, together with her husband Sidney, advocated a vigorous programme of social reform.

Beatrice was a member of the Royal Commission on the Poor Laws and the Relief of Distress, 1905–09, and the main author of the Minority Report of the Commission.

Although the Minority Report did not itself lead to early legislation, it is, with the Beveridge Report of 1942, one of the founding documents of the British welfare state.

With Sidney, Beatrice founded the London School of Economics and the *New Statesman*.

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The study

'It is now possible to abolish destitution,' claimed Beatrice Webb at a rally in 1909 to promote her Minority Report on the misery of the Poor Law.¹ Destitution may have all but disappeared in the UK, but its close family relative – poverty – remains. Poverty casts a long shadow over our society – spoiling lives, costing public money and destabilising social relations in a cycle that passes from one generation to the next. The Webb Memorial Trust has a programme of work based on a question close to the heart of Beatrice Webb – how to reduce poverty?

This report gives an account of our results, to be published on 2 March 2015 at a conference jointly organised by the Fabian Society and Bright Blue with a goal of developing cross-party consensus on the solutions for 21st century poverty.

In conducting the study, we soon realised that the problem of poverty cannot be considered independently from the society that produces it. Beatrice Webb herself noted:

'Poverty is not a weakness of individual character but a problem of social structure and economic mismanagement.'²

Given that poverty is a societal issue, we should start with the kind of society we want. Important questions

include: 'what would a good society without poverty look like?' and 'how much poverty can a society tolerate and still call itself good?'

This report gives answers to these questions drawing on four main sets of evidence collected during the Webb Memorial Trust research programme:

- 1 Survey data from the general public** Four interlinked studies conducted by YouGov have sought the views of more than 12,000 individuals supplemented by 12 focus groups.
- 2 The voices of children and young people** A series of projects designed to enable children and young people to give their perspectives have included giving opportunities for children to take part in developing a conference, performing a play, taking part in an online game, taking photographs, writing a manifesto on 'Poverty Ends Now', giving evidence in parliament and asking parliamentary questions.
- 3 Commissioned studies from think tanks and professional researchers** These have included work on child poverty, transport, housing, security, welfare, planning, civil society, and other relevant topics.
- 4 Relevant literature on topics relevant to poverty and a good society** Although we



Children North East distributed 1,348 disposable cameras to young people across the north east of England and asked them to tell us what poverty was like where they lived. They received 11,000 images in response; some of these are reproduced in this report.

cannot do justice to the volume of work on these topics, we have reviewed some of the significant work.

The report is being published to enable interim findings to be discussed and debated. The discussion will guide subsequent work of the Trust in its efforts to deliver a legacy worthy of Beatrice Webb. Questions for subsequent work include: 'how do we obtain a good society without poverty?' and 'who has responsibility for obtaining such a society?'

The report is in four parts. In Part 1, we set out why we have reframed the problem of poverty. In Part 2, we explore the good society, beginning with its philosophical basis, explaining why it has declined as an important concept, and suggesting how we might revive it. In Part 3, we give the empirical results on what a good society without poverty would look like. In Part 4, we discuss some suggestions for taking this study further towards its conclusion.

Part 1

Reframing poverty

As we noted, the study started out as a study of how to reduce poverty. However, in 2011 the Trust commissioned a series of essays asking contributors to inhabit Beatrice Webb's mindset to say what could be done about poverty now.³ The essays showed that poverty could not be solved in isolation from the management of the economy and the structural organisation of society. This led to the Trust undertaking a consultation about the best starting point for the study, leading to the publication of *Beatrice Webb: a fitting legacy*,⁴ which set out our approach. In this section, we retrace our steps to understand why we have come to believe that poverty is the wrong place to start. We need to reframe the issue, and begin with identifying what kind of society we want.

We began with poverty because this was one of Beatrice Webb's main concerns and, despite efforts over more than a century, it remains a serious problem in our society. During her lifetime (1858–1943), Beatrice Webb made considerable advances in knowledge about how to tackle poverty, both through her writings and in practical action. She is best known for her contribution to the Minority Report to the Royal Commission on the Poor Laws and Relief of Distress 1905–09,⁵ and a book with her husband Sidney *The prevention of destitution* (1911).⁶

In addition to their writing, the Webbs campaigned to have their ideas adopted. Although their early efforts met with failure, they influenced how Beveridge approached his 1942 report *Social Insurance and Allied Services*. In his autobiography, Beveridge noted: 'The Beveridge Report of 1942 stemmed from what all of us had imbibed from the Webbs.' Clement Attlee, the prime minister whose 1945 government implemented the Beveridge Report, was the Webbs' campaign manager for the 1909 Minority Report. He described the Minority Report as '... the seed from which later blossomed the welfare state'.⁷

According to Michael Ward, who is writing a biography of Beatrice Webb for the Trust, the Webbs believed that every generation should campaign to reduce poverty. The Webbs would, therefore, be pleased to see that Britain has a vibrant network of organisations that campaign for the poor. Many of these were formed during the 1960s and 1970s including Child Poverty Action Group (CPAG), the Campaign for the Homeless and Rootless (CHAR), Shelter and Gingerbread.⁸ Over the years, what has become known as the 'poverty lobby' has grown in size and in influence. In 2005 the 'Make Poverty History' Campaign claimed notable successes.⁹

An angry and fruitless debate

However, serious problems have arisen in the fight against poverty. In a recent book, Julia Unwin, chief executive of the Joseph Rowntree Foundation, an organisation that has been researching these matters for 111 years, notes:

'The fight against poverty has become both angry and fruitless. Despite an historic and continuing concern, there is no shared understanding or perspective on poverty, its causes or its solutions. Interventions to reduce poverty have been piecemeal, poorly understood, and have rarely had the sense of shared endeavour and commitment that are central to success.'¹⁰

Unwin asserts that attempts to end poverty have foundered partly because they are not supported by the public. At the core of the fight against poverty, therefore, is the need to change public perceptions, misconceptions and prejudices and to identify, understand and challenge the deep-rooted emotional responses that cause them.

These emotional responses to poverty are evident in our work on the 'myths of poverty'. The prevalence of myths surrounding poverty suggests poor understanding of the issue.¹¹ Our work with YouGov has shown that the word 'poverty' changes the emotional tone of focus groups and divides people in a way that means that rational discussion is sometimes no longer possible. For much of the general public, the issue of poverty has little traction. The Trust commissioned work from Kate Bell and Jason Streilitz, who commented that during the years of Labour governments between 1997 and 2010: 'Ending child poverty never really took on political salience outside a narrow policy elite.'¹²

A stream of reports

At the same time, there is a stream of reports on poverty. The Trust has been monitoring press reports on poverty since the Coalition Government took office in May 2010 and there have been on average two substantial empirically based reports on poverty published each month since. Reports that have appeared while this report was being drafted include the Joseph Rowntree Foundation annual report on progress on tackling poverty and disadvantage in the UK¹³, the All Party Parliamentary Inquiry into Food Hunger¹⁴, and a report on the UN Millennium Development Goals.¹⁵ All of these reports are laden with statistics that demonstrate both the extent of poverty and the hurdles in combating it.

To take some other examples of earlier reports, one of the most comprehensive sample surveys ever undertaken reported in 2013 that 30 million people (almost half the population) are suffering to some degree from financial insecurity; that 18 million in the UK today cannot afford adequate housing; and that roughly 14 million cannot afford one or more essential household goods.¹⁶ A High Pay Centre report from June 2014 suggests that the average income of the bottom fifth of households in Britain is lower than in France, Germany, Belgium, the Netherlands and Denmark, and closer to the poorest people in Slovenia and the Czech Republic.¹⁷ The Northern Housing Consortium has been monitoring the progress of 100 of its tenants. Its fifth report, published in October 2014, reveals worrying trends, particularly on the extent of debt and people's reliance on borrowing to cope with everyday life.¹⁸ Almost three quarters of households are in debt, with the size of debts rising at an alarming rate.

Similar messages

Although the reports on poverty are different, often using different measures of poverty, the messages

emerging and the press releases are remarkably similar. To take some typical examples: one study, commissioned by End Child Poverty, found that a quarter of all children in the UK live in poverty once housing costs are taken into account, although this figure rises above 40 per cent in some of the most expensive parts of London. The chief executive of Barnado's, Javed Khan, called the figures a shocking indictment of the government's failure to tackle child poverty:

'Low wages, rising living costs and welfare reform has pushed many of the families we work with to the brink of financial crisis, forcing them to make desperate choices between heating the house or buying food.'¹⁹

Another study commissioned by Save the Children projected that 5 million children would be living in poverty by 2020. Chief executive of Save the Children, Justin Forsyth, commented:

'Our political class is sleepwalking towards the highest levels of child poverty since records began while promising to eradicate it completely.'²⁰

He continued:

'The current all-party commitments to social security cuts in the next parliament combined with underlying labour market trends and inflation mean no party has a coherent plan to avoid this crisis.'

Poverty causes damage

Early results from a Trust-sponsored literature review on the consequences of poverty suggest that it causes much damage. There appear to be three main categories of damage: spoiled lives of individuals, diminished life chances of children born to parents with low incomes, and costs to wider society.

The literature is strongest on how poverty spoils the lives of individuals. The recent report of the Living Wage Commission (2014) gives many examples.²¹ A

continual bugbear of poverty is that, with no money to spare, people in poverty have no alternative but to borrow whenever something goes wrong or some extraordinary expense has to be met.²² The American Psychological Association has collected evidence of the harmful effects of poverty on a number of dimensions, including health, educational attainment, use of leisure and psychosocial wellbeing.²³

On diminished life chances between the generations, there appears to be a cycle.²⁴ Parents who live in poverty bring up their children in conditions of poverty. These children tend to become poor adults and so the cycle continues. There is a close correlation between income of parents and achievement of children.²⁵

According to Driscoll and Nagel, poor children are twice as likely to have stunted growth, iron deficiency and severe asthma. Poverty puts children at greater risk of dying before their first birthdays than mothers smoking during pregnancy. Every year a child spends in poverty increases the chances that they will fall behind grade level by age 18.²⁶ Such children are also less likely to receive supportive parenting because their parents' poverty means they commonly suffer from 'anxiety, depression, and irritability', leading them to be punitive, inconsistent, authoritarian, and inconsiderate towards their children'. Overall, children growing up in poverty are not only more likely to suffer poor health and do less well at school but they also become the next generation of adults at risk of unemployment and long-term poverty.²⁷

While most of the literature on the effects of poverty focuses on the effect on individuals or on families, there is also some evidence of harmful effects of poverty on wider society. A 2008 report aiming to give 'an estimate of the extra cost to selected public services of the existence of child poverty' put the costs of child poverty in the UK to public expenditure at between £11.5 billion and £20.7 billion, taking into account personal social services (for example, provision of

support to children because of abuse or neglect), health care, education, housing, police and criminal justice, fire and rescue, local environmental services (for example street cleaning, maintenance of parks and open spaces), and area-based programmes (for example, the Neighbourhood Renewal Programme).²⁸ A more recent report from Loughborough University suggests a figure of £29 billion. This takes into account spending on services to deal with the consequences of child poverty, tax loss to government as a result of people earning less, benefits to people out of work as a result of growing up in poverty, and loss in private earnings of adults who have grown up in poverty.²⁹ It is important to note that such figures are estimates and the authors of these reports acknowledge that the figures are 'indications'.

There are suggestions too that poverty is a source of instability for a society as a whole. According to the Poverities.org website,³⁰ poverty is a major cause of social tensions dividing people within a country. Such tensions can have destabilizing effects. The Arab Spring is an example of this where lack of jobs and high poverty levels drove the search for solutions leading to the overthrow of governments. It is striking that pessimism about the risks of violent disorder resulting from increased inequality are prompting the world's elites to buy up airstrips and land in remote areas of the world.³¹

What is poverty?

We have to recognise that so far in this report, we have used the term 'poverty' without explaining what we mean by it. There is a very considerable academic literature on this, yet no agreement on how it should be defined or measured. Indeed, academic debates on this have often proliferated misunderstanding rather than offered clarity. The result is that there is much controversy about the meaning of poverty. There is low face validity* for the definition of poverty that many

academics use, because many people who academics consider to be poor do not consider themselves to be poor.³²

The reason, as we found in our YouGov research, is that for many people poverty means 'destitution' or 'pauperism'. However, as a guide for journalists on poverty published by the Joseph Rowntree Foundation has pointed out:

'When we talk about poverty in the UK today we rarely mean malnutrition or the levels of squalor of previous centuries or even the hardships of the 1930s before the advent of the welfare state.'³³

There are three main ways in which the term poverty is currently used.³⁴

- **Absolute poverty** means 'lack of sufficient resources with which to meet basic needs'. Under this definition, people may be starving, lack clean water, proper housing, sufficient clothing or medicines and be struggling to stay alive. This is most common in developing countries but some people in the European Union, for example homeless people or Roma, still experience this type of extreme poverty,
- **Relative poverty** means 'low income or resources in relation to the average'. Relative poverty occurs when people's way of life and income is much worse than the general standard of living in the country or region in which they live so that they struggle to live a normal life and to participate in ordinary economic, social and cultural activities. Under this definition, poverty will vary from country to country, depending on the standard of living enjoyed by the majority.
- **Social exclusion** means the process by which individuals or entire communities are systematically blocked from various

* Face validity is a term used in psychology to measure the extent to which a test is subjectively viewed as covering the concept it purports to measure.

rights, opportunities and resources that are normally available to members of a different group, and which are fundamental to social integration within that particular group (for example, housing, employment, health care, civic engagement and democratic participation. People who experience social exclusion commonly experience a combination of unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.³⁵

The most common definition of poverty in the UK literature is relative poverty. Peter Townsend pioneered this approach in his 1979 book *Poverty in the United Kingdom*. He argued that there are levels of income below which consumption and participation fall well below what might be seen as normal or acceptable in an increasingly affluent society. In the conclusions of the book, he commented:

‘Our evidence shows that poverty is a national phenomenon which is structurally pervasive and of major dimensions. But its extent and effects tend to be greatly underestimated and its causes wrongly, or weakly, identified.’³⁶

It is this approach that typically inspires researchers and campaigners in the UK to understand and combat poverty.

Measuring poverty

Peter Townsend pioneered a relative deprivation approach to poverty that covered a wide range of aspects of living standards, both material and social. He developed a list of 60 indicators of the population’s

‘style of living’ for a 1968–9 survey of living standards in the UK. The indicators were built up from items that included: diet, clothing, fuel and light, home amenities, housing and housing facilities, immediate environment of the home, general conditions and security of work, family support, recreation, education, health, and social relations.

This approach has formed the basis of many subsequent studies of poverty. On the basis of Townsend’s ideas, Joanna Mack and Stewart Lansley developed the first ‘consensual’ approach to measuring poverty by investigating the public’s perceptions of minimum needs. Carried out in 1983 by MORI, the survey formed the basis of the ITV series *Breadline Britain*, which was transmitted in August 1983.

Mack and Lansley explained their approach:

‘This study tackles the question “how poor is too poor?” by identifying the minimum acceptable way of life for Britain in the 1980s. Those who have no choice but to fall below this minimum level can be said to be “in poverty”. This concept is developed in terms of those who have an enforced lack of socially perceived necessities. This means that the “necessities” of life are identified by public opinion and not by, on the one hand, the views of experts or, on the other hand, the norms of behaviour per se.’³⁷

Not everyone agrees with this approach, and in the past few years there has been a concerted attempt to revise the means of measuring poverty. The government issued a consultation in 2012 on the basis that:

‘We need to think differently about child poverty. It cannot be right that experiences so vital to childhood, like seeing a parent go out to work or growing up in a stable family, are not reflected in our understanding of child poverty. Only through a better representation

of the reality of children’s lives will we truly know how many children are in poverty.¹³⁸

The consultation was inconclusive and the controversy about definition remains unresolved. As with the definition of poverty, there is little agreement about the means of measuring it. The most common measure, and that used in the Child Poverty Act 2010, is ‘household income below 60 per cent of median income’. The median is the figure at which exactly half of households earn more and the other half less.

Who is poor?

The answer to the question ‘who is poor?’ depends on the measure used. The Household Below Average Income Data Series, published annually by the Department of Work and Pensions, uses different measures.

Chart 1 shows the distribution of individuals falling below 60 per cent of the median income by various family and household characteristics. The red line in the chart shows the percentage falling below 60 per

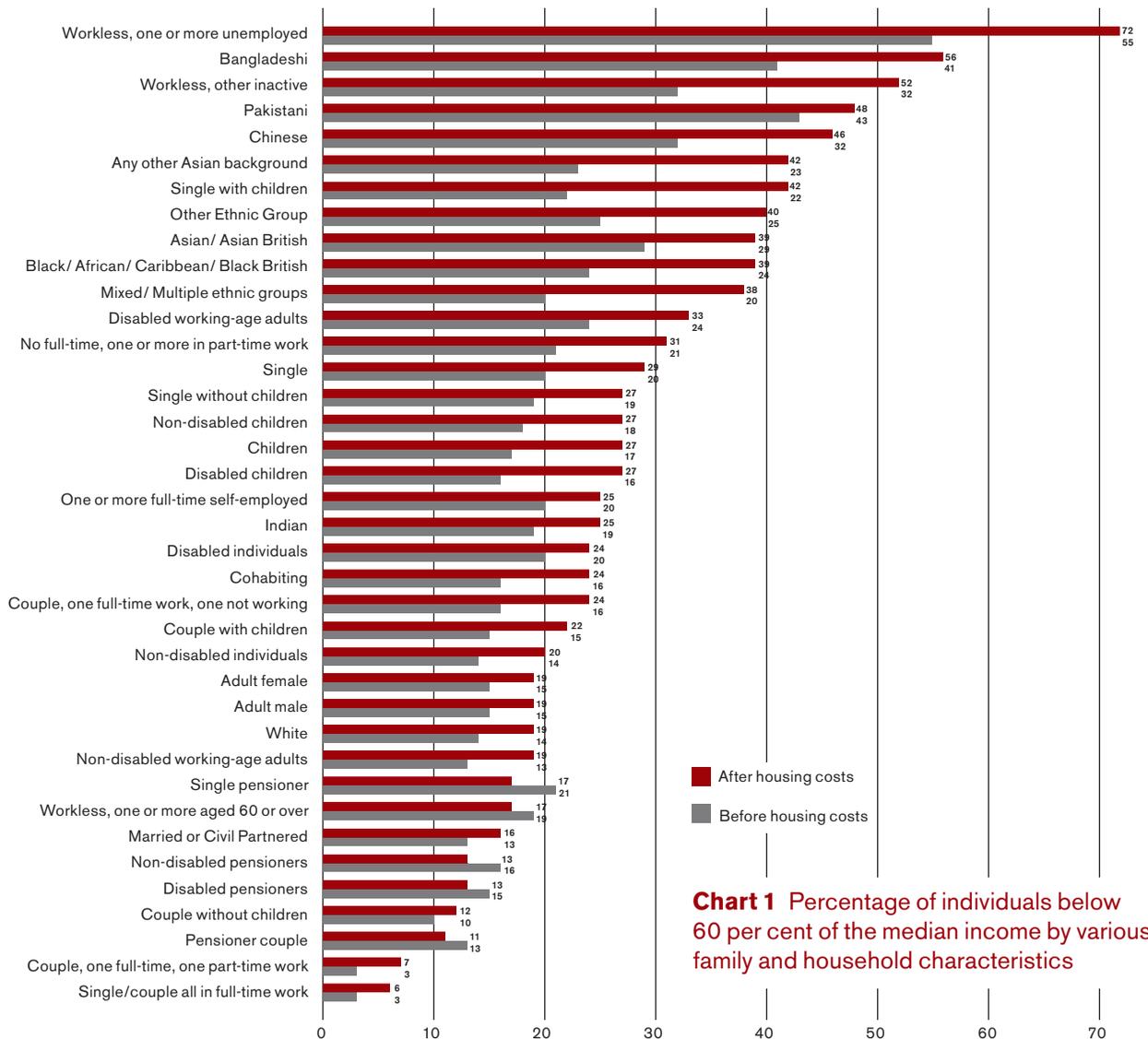


Chart 1 Percentage of individuals below 60 per cent of the median income by various family and household characteristics

cent of the median after housing costs and the blue line shows the percentage before housing costs. As can be seen in the chart, for the vast majority of groups, the addition of housing costs increases the proportion of the group that fall below the 60 per cent median level.

Chart 1 shows that four groups in the population are particularly at risk of poverty: people who are unemployed, people from black and minority ethnic communities, disabled people and single parents.

Many problems, few solutions

From the available academic literature on poverty, it would be possible to go into much more detail about its definition, characteristics and prevalence. Indeed, there is a superabundance of material about the problem of poverty, but very few studies address what might be done to change things, let alone giving practical step-by-step solutions. There is a common pattern where authors of studies say that ‘the results demonstrate a challenge to government’, yet do not give any guidance about what government might do to address the situation.

This creates a cycle that is ultimately disempowering. To take an example from another field, the Bernard van Leer Foundation has found that multiple reports that address the prevalence of violence against children without finding a solution are counterproductive because they tend to reinforce the idea that it is a ‘wicked’ problem that no one can do anything about. People tend to turn off because they think that ‘this is a problem too big for me to have any impact on’. Similar results have been found in work on race in America. Campaigners for race equality have learned to avoid statistics highlighting the problem because this approach tends both to reinforce prejudice and to undermine the search for solutions.³⁹

Our research found the same pattern with poverty. We tested messages about poverty in eight focus

groups including people with different income levels and different attitudes towards poverty. One exercise was to present statistics describing four different facts about poverty. To take two examples:

- ‘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.’
- ‘On average people think that 41% of the entire welfare budget goes on benefits to unemployed people, while the true figure is 3%’.

Such statements had little effect on changing people’s minds about poverty. In cases where the evidence appeared to contradict their prior judgement, people typically dismissed the evidence as ‘government propaganda’ or ‘newspaper talk’.

There appears to be an issue of diminishing marginal returns when it comes to reports setting out the nature of the problem of poverty. Nearly every week a new report appears setting out some aspect of the problem and how it is getting worse. Reports describe rising debt, reduced benefits, struggles to pay the ‘bedroom tax’, and a growing number of food banks – with many commentators saying that this is only the beginning. Notwithstanding the constant stream of reports, little appears to change as a result.

In part, this is because we don’t know how to change things. The social science literature is almost wholly descriptive and analytical about social problems, rather than creative and practical about their solutions. As the young Beatrice found out when she worked with Charles Booth on his massive ‘Labour and Life in London Studies’, empirical investigation of the problem of poverty fails to produce the solution.

Our attempts to review what worked to reduce poverty were only successful in describing broad trends in social history that enabled the reduction of poverty (eg economic growth, a strong trade union sector and a strong state safety net).⁴⁰ The reports could not identify

the added value of particular policies such as tax credits to prop up wages or provision for families and young children.

Hopefully, two new initiatives will cast light on what works in poverty reduction. First, the Public Policy Institute for Wales is to help guide latest thinking on how to tackle poverty in Wales and the wider UK. Funded through an £800,000 investment from the Economic and Social Research Council (ESRC), the What Works in Tackling Poverty programme will bring together research organisations from across the UK to advance knowledge about what works in tackling poverty. Second, the Joseph Rowntree Foundation has published evidence reviews to address this issue and has promised a costed programme of proposals to reduce poverty by the end of 2015.

While welcome in turning academic research to practical account, and in increasing our understanding, such initiatives are unlikely on their own to produce a good society without poverty.

A different approach

We need a completely different approach from a different starting point. Rather than starting with the problem, we need to start with the solution. As the work of Robert Fritz has shown, in trying to solve a problem, we often empower the problem.⁴¹ As Carl Rogers, put it:

'Another great challenge of our times . . . is to develop an approach that is focused on constructing the new, not repairing the old; that is designing a society in which problems will be less frequent, rather than putting poultices on those who have been crippled by social factors.'⁴²

As well as ridding ourselves of the idea that we need to fix a problem, we also need to understand that we need to go beyond the evidence-based materials collected by the methods of traditional social science. These are

commonly dry and technocratic, based on the notion that if you establish a correlation between poverty and a factor that appears to drive it, there is an available policy lever that can be pulled to reduce the influence of the factor that is driving poverty. In the modern complex, non-linear world, we cannot treat problems in this way, because to identify such levers in isolation from many other factors is well nigh impossible. And even if you could identify a particular lever, pulling the lever could have many unforeseen consequences. Recommendations from reports conducted by think tanks or universities rarely address such complexity.

To make effective use of evidence, we need to employ an explicitly normative frame and use what John Paul Lederach has called 'the moral imagination'.⁴³ This entails a synthetic methodology in which awareness of context, history and evidence are blended together by different agencies to develop desirable futures. Lederach notes that this requires creative processes that are more akin to art than to traditional processes of development. He notes that, as the pursuit of professional excellence in society has emphasised the technology, the technique and the skills of process management, we too often have lost a sense of the art. As a result, he suggests:

' . . . our approaches have become too cookie-cutter like, too reliant on what proper technique suggests as a frame of reference, and as a result our processes are too rigid and fragile.'

The use of the moral imagination is in a sociological tradition that derives from C Wright Mills and his book published in 1959 called *The sociological imagination*.⁴⁴ Mills admonished his social science colleagues for becoming obsessed with narrow, discipline-based technical applications and esoteric language that obscures the point that the key task for sociologists is to connect social history and personal biography and to imagine better futures. Following

Mills, Lederach defines the job of moral imagination as follows:

'To imagine responses and initiatives that, while rooted in the challenges of the real world are, by their nature, capable of rising above destructive patterns and giving birth to that which does not yet exist.'

Such processes need to be both creative and inclusive. With some notable exceptions, the campaigns to end poverty in the UK are neither of these things. Much of the writing about poverty is dull, technocratic and exclusionary. The campaigns have limited popular support, people on low incomes have little voice, and there is little sense of coherence in efforts to reduce poverty. Given the limited traction, a rethink is necessary.

Moreover, poverty is the wrong place to start. Not only is the word itself toxic because it divides people; it falls foul of what George Lakoff has called 'negative framing'.⁴⁵ Statements that are phrased negatively (getting rid of a problem) commonly produce the opposite of what is intended because the very mention of the subject overrides whatever else is said. Lakoff's example is 'don't think of an elephant'.

Indeed, according to Lakoff the idea of 'myth busting' is flawed, because highlighting the myth has the effect of strengthening the myth. Negative framing typically erodes the success of even the best-intentioned efforts at social change. In trying to develop social change, we ignore at our peril what 13th century poet Rumi called the 'thieves of the heart' – greed, ego, anger and insecurity, all of which are made stronger when the premises of an argument are about what we don't want.

Instead, we need to decide what we do want. Since poverty is the consequence of societal processes, we should begin with the kind of societal processes we want and try to create them. This brings us to the question of 'the good society'.

In Part 1, we have suggested the need to reframe the issue of poverty because the issue is 'stuck'. Rather than continually describing the problem, we need to start from the solution and work backwards. In doing this, we should start from the kind of society that people want.

From the Children North East photography project.



Part 2

Exploring the good society

The issue of the good society used to be much discussed in politics, but over the past generation or so, it has been neglected. In his influential book, *Ill fares the land*, Tony Judt suggests that this neglect is one of the reasons we have lost our way.⁴⁶ We have drifted into a consensus, sometimes called the 'Washington Consensus', in which the market is the arbiter of all things, governments should be small, state safety nets should be reduced, and civil society should step into the space that governments used to occupy to deliver human services.⁴⁷ Judt comments:

'Something is profoundly wrong with the way we live today. For thirty years we have made a virtue out of the pursuit of material self interest: indeed, this very pursuit now constitutes whatever remains of our sense of collective purpose. We know what things cost but have no idea what they are worth. We no longer ask of a judicial ruling or a legislative act: is it good? Is it fair? Will it help bring about a better society or a better world? Those used to be the political questions, even if they invited no easy answers. We must learn once again to pose them.'

The pursuit of material self-interest has been criticised on the grounds that it leads to increased inequality, reduced solidarity and lack of concern for the environment. There have been three bestselling books

in the past few years that have criticised the capitalist system in one way or another. Thomas Piketty (2013) has demonstrated that the returns on capital have persistently exceeded the returns on labour, leading to long-term increases in inequality;⁴⁸ Richard Wilkinson and Kate Pickett (2009) showed how inequality damages society;⁴⁹ and Michael Sandel (2012) demonstrated how markets have permeated every aspect of life and have damaged our sense of value.⁵⁰ There has also been heightened concern about the environment. The film *An Inconvenient Truth*, which describes Al Gore's work on climate change, has been credited for raising international public awareness of climate change and re-energizing the environmental movement.

While many of the criticisms have been well made, there have been fewer attempts to develop an alternative – asking what would a replacement to the Washington Consensus look like? The failure of political parties to answer this question has been at least partly responsible for the long-term trend to distrust mainstream politicians and for the rise of populist parties. Hardly a week goes by without a press article on the lack of vision in politics. How do we begin to answer this question?

To do so, we have to go back to the basics – Just as the Webbs did – and ask ‘what is a good society?’

The idea of a good society has occupied some of the finest minds in history, and every culture since the beginning of time has generated its own views on the topic. We cannot do justice to the diversity of thought and concentrate here on some of the main strands in western literature, while being conscious that we have left out references to significant thinkers on the topic.

The first systematic attempt to develop a coherent account of a good society was undertaken in the 4th century BC in Aristotle’s *Nicomachean Ethics*.⁵¹ This has been highly influential throughout history and is much studied today – partly because, as we will see later, Aristotle gives us a very useful method for thinking about the problem.

Aristotle was aware that the idea of a good society is – and will always be – contested. The reason, as 18th century philosopher David Hume put it, is that goodness is not an objective quality in the world, but arises as a result of people’s preferences and choices. Therefore goodness has a subjective quality that means that no facts can settle – once and for all – whether a particular action is good or not.

The debate about a good society has divided, broadly speaking, between ‘utopians’ and ‘realists’. Utopians typically start from their perception of the grim reality of social and economic oppression, and a wish to change it. Oscar Wilde wrote:

‘A map of the world that does not include Utopia is not worth even glancing at, for it leaves out the one country at which Humanity is always landing. And when Humanity lands there, it looks out, and, always seeing a better country, sets sail. Progress is the realization of Utopias.’⁵²

Central to the utopian view is the idea of progress. The idea that things could get better emerged from

the Enlightenment, as a secularisation of ideas from early Christianity, and a reworking of ideas from ancient Greece.⁵³ There were many authors of this movement, including Thomas Hobbes, Jean Jacques Rousseau and John Locke. A key figure was the French historian and philosopher Voltaire (1694–1778), who saw science and reason as the driving forces behind societal advancement. The first complete statement of progress is that of Turgot, in his *A philosophical review of the successive advances of the human mind* (1750). For Turgot progress covers not simply the arts and sciences but the whole of culture – manners, mores, institutions, legal codes, the economy and society. Condorcet (1743–94) believed in the indefinite perfectibility of the human condition, and predicted the disappearance of slavery, the rise of literacy, the lessening of inequalities between the sexes, reforms of harsh prisons and the decline of poverty.⁵⁴

One of the most influential utopian visions was the *Manifesto of the Communist Party*, published in 1848 by Karl Marx and Frederick Engels.⁵⁵ This was based on a view of progress that predicted societal progress from feudal, through capitalist, to communist society. This was completely out of step with British socialism, which concentrated on bread-and-butter issues such as the abolition of poverty and greater participation in social life.⁵⁶ On continental Europe, however, the writings of Marx were highly influential.

The Russian Revolution, which was influenced by Marx, gave strong impetus to anti-utopian sentiments. Influential ‘realists’, such as Walter Lippman, Friedrich Hayek, Sir Karl Popper and Seymour Martin Lipsett, all saw utopianism as a dangerous illusion.⁵⁷ Such concerns were not new. In his 1790 critique of the French Revolution, Edmund Burke was among the first to attack utopian attempts to develop a good society because such attempts were at odds with ‘reason, and order, and peace, and virtue, and fruitful penitence’,

and would lead to 'madness, discord, vice, confusion and unavailing sorrow'.⁵⁸

The realists look on what Michael Oakshott called 'the current condition of human circumstances' with relative satisfaction, or at least with passive resignation.⁵⁹

They believe that either current circumstances merit no significant improvement or to attempt such improvement would amount to interfering folly. In a particularly dystopian view of the human condition, John Gray pours scorn on the idea of human progress, suggesting that volition, and hence morality, is an illusion.⁶⁰ Gray portrays humanity as a ravenous species engaged in wiping out other forms of life.

These competing views about what constitutes a good society are not merely academic. Indeed these considerations are central to how we organise our society now. To understand this, we need to retrace our steps and go back to Beatrice and Sidney Webb.

The rise and fall of the planned society

Not only were the Webbs optimists, their work also suggested a planned society. They sought to realise their ambitions for a good society through a much greater role for government in economic and social management. Such an approach distinguished them from realists who believed that the 'invisible hand' of the market would regulate society as needed.

As Michael Ward has pointed out, the tide of history was running with the Webbs, and their efforts did much to promote government intervention in a planned society.⁶¹ The roots of the planning movement go way back to the 19th century and find expression in Sir Ebenezer Howard's idea of the 'Garden City' and his forming of the Town and Country Planning Association in 1899. Gradually, the idea of planning all aspects of society took hold, leading to the programme of state intervention introduced by the Labour Government from 1945. In *New Jerusalems*, Evan Durbin's daughter

Rosemary charted the historical evolution of thought in the Labour Party.⁶² But it is also important to recognise that the triumph of public planning was wider than a single party. It was a result of a wartime consensus involving all three main political parties. Such all-party agreement was a great strength and led to durability through what became known as 'Butskellism' (a joining together of the names of the Conservative politician R A Butler and the Labour politician Hugh Gaitskell). In land use planning, the key instrument was the Town and Country Planning Act 1947, which was a triumph for those who wished to see an orderly and well-regulated environment. By 1949, Evan Durbin famously declared: 'We are all planners now.'⁶³

Such a perspective enabled great gains to be made in British society following the Second World War. There was a dramatic fall in poverty lasting several decades. Four main factors drove this. First, expansionary macroeconomic policies, combined with a commitment to full employment, meant that work was plentiful. Second, strong trade unions in a relatively protected economy meant that real wages rose in tandem with productivity, allowing workers to enjoy rising living standards.⁶⁴ Third, public spending on health, education and housing created a social wage that particularly helped those on lower incomes. Fourth, fiscal policy taxed the rich to benefit everyone, including the poor.

These four factors combined to create social mobility. People could see that they were better off than their parents and had higher aspirations for their children. The result was what economist Paul Krugman has called the 'great compression'.⁶⁵ The incomes of the top and bottom tier of earners converged and poverty was much reduced.

In 1956, in his highly influential *The future of socialism*, Anthony Crosland declared:



From the Children North East photography project.

'The most characteristic features of capitalism have disappeared – the absolute rule of private property, the subjection of all life to market influences, the domination of the profit motive, the neutrality of government, typical laissez-faire division of income and the ideology of individual rights.'⁶⁶

These gains were possible because there was a consensus at the heart of society that state intervention paid for through citizens' taxes and implemented through processes of planning were to be conducted for the benefit of all in society. The Town and Country Planning Association report commissioned by the Webb Memorial Trust noted:

'Planning has played a "transformational" role in improving the quality of life in all our communities.'⁶⁷

Yet, amidst all these gains, there was a countervailing force. In the same year as the 1947 Town and Country Planning Act passed on to the statute book, Professor Friedrich von Hayek invited 36 influential people to Switzerland to form the Mont Pelerin Society. The group was diverse, but they had a common bond:

'They see danger in the expansion of government, not least in state welfare, in the power of trade unions and business monopoly, and in the continuing threat and reality of inflation.'⁶⁸

The sole objective of the Mont Pelerin Society was:

'... to facilitate an exchange of ideas between like-minded scholars in the hope of strengthening the principles and practice of a free society and to study the workings, virtues, and defects of market-oriented economic systems.'

The key text was Friedrich August von Hayek's *The road to serfdom*. This warned of the danger of tyranny that inevitably results from government control of economic decision-making through central planning.⁶⁹ One of the reasons why such realism abhors attempts to realise a utopian vision is that it involves a commitment to a planned society. This is regarded either as impossible, because of the sheer complexity of social phenomena, or undesirable because it restricts the freedom of individuals.

In *Thinking the unthinkable*, Richard Cockett tells the story of how the ideas of free market economics mounted a comeback through the efforts of organisations such as the Institute of Economic Affairs, the Centre for Policy Studies and the Adam Smith Institute.⁷⁰ By the mid 1970s, the Keynesian consensus had buckled under the weight of inflation, unemployment and industrial disorder. The ideas of 'monetarist' economics became the driving force behind the Conservative governments from 1979 onwards.

Reviewing this period of history for the Trust, the Smith Institute examined the principles on which the new policy was based. It concluded:

'According to the Conservative Party, incomes policy had obviously failed, trade unions were too powerful, markets were over-regulated; taxes were too high, nationalised industries were feather bedded and an over generous social welfare system discouraged enterprise and created state dependency.'⁷¹

The new approach envisaged a reduced role for government, sweeping away regulations and freeing up the market so that it could create wealth. A critical event was the 'Big Bang' in 1986, a policy that deregulated financial markets. Successive governments continued with policies to encourage enterprise by removing restrictions of all kinds. In land use planning, the Localism Act 2011 can be seen as

the culmination of 30 years of this process. It focuses on '... cutting central targets on councils, easing the burden of inspection, and reducing red tape'. Its purpose is '... breaking down the barriers that stop councils, local charities, social enterprises and voluntary groups getting things done for themselves'.

A Trust-commissioned study by the Town and Country Planning Association reported in 2013 that planning had been marginalised. Where it was still working, it had little relevance to distributional outcomes for people most in need:

'The reason for this failure is partly because planning is no longer recognised as a mainstream part of public policy in poverty reduction, and because national planning policy has de-prioritised social justice as an outcome.'⁷²

The market as arbiter

If planning is no longer the route for a good society, we need to examine its alternative – the 'invisible hand' of the market. We have already noted the view that without a vigorous debate about what we want our society to be, and a commitment to systematic understanding of the means used to reach that end, politics becomes a weak process. Effectively, we surrender ourselves to wherever the market chooses to take us. For some, this is a good thing. There is a respectable theory – dating from Adam Smith – that the market is the most efficient force for governing society.

Indeed, we should acknowledge the value of the market and note that it has delivered much. Median income has risen by 40 per cent in real terms since 1979, and we now have access to goods and services unimaginable to our grandparents. Larry Elliot, writing in the *Guardian* on 21 April 2014, notes:

'Britain is a richer, healthier, better educated and more tolerant country than it was 70-odd years ago. Life

expectancy has risen by well over a decade; university education is no longer for a tiny elite; incomes adjusted for inflation are four times higher than they were at the end of the second world war; the number of people in owner-occupation has more than doubled; people no longer live in homes without baths and inside toilets.⁷³

At the same time, progress has not been uniformly positive. Ralf Dahrendorf has summarised global trends since the fall of the Berlin Wall in 1989 as: prosperity up, freedom up, and solidarity down.⁷⁴ Moreover, the fact that the market has become so dominant, combined with its tendency to excess, means that the economic order is fragile and precarious. The World Economic Forum *Global Risks Report 2013* highlights 'the top two most prevalent global risks' as 'wealth gaps (severe income disparity) followed by unsustainable government debt (chronic fiscal imbalances)'.⁷⁵ African economist Dambisa Moyo has claimed that the West is 'lost' because the economic centre of gravity of the world has shifted permanently eastwards towards China and India.⁷⁶

The market may have brought us benefits but it is nevertheless a cruel and hostile force. Joseph Schumpeter praised the 'creative destruction' evident in the economic cycle.⁷⁷ Although some destruction may be helpful in rooting out inefficiencies, the prospect of wholesale collapse raises a bigger question about whether economics has failed. The inability to foresee the 2008 crash is cited by many as evidence of a serious problem at the heart of the discipline. Students of economics at Manchester University have come to see this, rebelling against their teachers, and suggesting that mathematical economics puts scholars in an intellectual straitjacket, discouraging critical thinking and creating a 'monoculture' of professional economists who all adhere to the same (questionable) basic principles.⁷⁸

Billionaire philanthropist George Soros has formed the Institute for New Economic Thinking to find

alternatives.⁷⁹ The work of the Institute is addressing the failure of economics from within the discipline, looking at why the methodology doesn't work.

Others are looking at the question from a wider angle – suggesting that the whole discipline needs to be knocked off its pedestal. One of the best-argued examples of this wider approach has come in a recent book by Robert and Edward Skidelsky.⁸⁰ They argue that a society that gives precedence to economic growth and privileges material reward over all else is a poor society. While leading to a life of luxury for the few, it leads to poverty for the many, and downplays what really matters – leisure, knowledge, friendship and other goods that have no price.

At the heart of their argument is Lionel Robbins' classic definition of economics as 'the science that studies human behaviour as a relationship between ends and scarce means which have alternative uses'.⁸¹ This puts scarcity at the centre of economics and brackets out judgements of value. This definition means that scarcity is a permanent feature of the human condition. The book cites many counter-arguments to this view, originating from Aristotle's opinion that the practical business of money-making is a means to an end, not an end in itself. Keynes foresaw a future when economic growth combined with technological innovation would mean that work would be replaced by leisure as our main activity.⁸² As Robert and Edward Skidelsky put it:

'Keynes lived most of his life in the nether regions of capitalist action, but he always had one eye on the heaven of art, love and the quest for knowledge.'

The principle of scarcity means that society is always in deficit mode. The answer to scarcity is always 'more growth', yet the scarcity always remains, demanding yet more growth.

Once again, we must be careful not to throw the baby out with the bathwater. Economic growth has been important in reducing poverty. The rise of Asia is the

most potent example of where improvements in the economy have lifted people out of absolute poverty. There is robust academic evidence for this conclusion in World Bank studies,⁸³ and public health expert Hans Rosling has analysed data in highly entertaining ways using the innovative tool called Gapminder.⁸⁴

At the same time, there are clear limitations to growth as a strategy for poverty reduction. First, the gains tend to be in lifting people out of absolute poverty, rather than relative poverty. Second, and related to this, economic growth has tended to increase inequality so that there is now a huge gulf between rich and poor.⁸⁵ Sarah Dransfield of Oxfam has observed:

'The five richest families in the UK are wealthier than the bottom 20 per cent of the entire population. That's just five households with more money than 12.6 million people – almost the same as the number of people living below the poverty line in the UK.'⁸⁶

The idea that wealth created at the top of society would benefit everyone (the 'trickle down' theory) has largely been discredited.⁸⁷ Far from Keynes' world of leisure, where everyone enjoys the fruits of economic progress, the outlook for much of the working population is low-paid casual work with few prospects of advancement or fulfilment. As Larry Elliot has recently put it:

'Over the past 25 years, the trend has been towards an atomised and casualised workforce that has little or no bargaining power. The Britain of today is a land of secure workers on good incomes but also of gangmasters, zero-hours contracts, domestic servants and the self-employed scratching a living.'⁸⁸

One of the main reasons that 'trickle down' doesn't work is the way in which the market distributes its rewards – a process called 'predistribution'. In the United States, Jacob Hacker and Paul Pierson found that policies governing financial markets, the rights of unions and the pay of top executives have all shifted

in favour of those at the top, especially the financial and non-financial executives who make up about six in ten of the richest 0.1 per of Americans.⁸⁹ This work inspired the Trust's support for the Smith Institute study on workplace democracy, *Just Deserts*, which suggested a greater role for employees in making decisions at work,⁹⁰ and a High Pay Commission study on the business case for moderating executive remuneration.⁹¹

Just because 'trickle down' hasn't worked well across the world, we should – once more – be careful not to generalise. The East Asian experience shows that, providing social considerations are integrated into economic development, large income disparities need not be a necessary outcome of economic progress.⁹² However, we should be aware that the long-term trends are against this view. Thomas Piketty reviewed the evidence and found that, over the long term, the returns on capital exceed the returns on labour. It follows that economic systems – left to themselves – are likely to produce inequality and the evidence suggests that extreme inequality is the antithesis of a good society.⁹³

Constructing a good society

The traditional methods of delivering such a good society – planning and the economy – have managed to improve society over the past 100 years, but neither is now working well. We therefore believe it is imperative that we review the kind of society we want.

We need to examine what we want as a nation because we have lost the sense of security in ourselves and in our future. The evidence for this assertion comes from a Trust-funded review of the evidence by Michael Orton of Compass. He found very high rates of insecurity:

'Insecurity is a tangible experience in relation to issues such as employment, household finances and housing, but also speaks to worry, anxiety and the sense that things are "not right" with our country.'⁹⁴

Orton finds that insecurity has increased markedly since the 2008 financial crisis. Such a finding is not restricted to the UK. A study of 34 European charitable foundations conducted in 2014 found that the crisis had made everything harder to deal with. It was not just a question of declining resources, though many foundations cited the lack of public money as a serious problem; it was also a battering down of the hatches by politicians. Several mentioned weak community groups and a sense of powerlessness among populations, and also a retreat from politics and from engaging with public affairs. For their part, governments appear to be retreating into their shells, focusing on economic matters at the expense of social ones while being unsympathetic to progressive social change. The study found a widespread hardening of attitudes against the poor. Racism and xenophobia are on the rise. The domination of vested corporate interests and a biased media mean that issues of fairness and equity have slipped down the political agenda.⁹⁵

Although the crisis has made things worse, we should not forget that the problem is a chronic one affecting most western societies whose origins predate the financial crash. Two decades ago, in a book called *The good society*, sociologist Robert Bellah and colleagues challenged Americans to take a good look at themselves. Faced with growing homelessness, rising unemployment, crumbling highways and impending ecological disaster, he suggested that the characteristic response was 'one of apathy, frustration, cynicism, and retreat into our private worlds'. The social problems were largely the result of failures of 'our institutions, and our response, largely the result of our failure to realize the degree to which our lives are shaped by institutional forces and the degree to which we, as a democratic society, can shape these forces for the better'.⁹⁶

Such views are not restricted to the progressive side of the political spectrum. Among business leaders, there has been growing alarm that the social contract is at risk. The Governor of the Bank of England, Mark Carney, warned that capitalism is at risk of destroying itself unless bankers realise they have an obligation to create a fairer society. He said:

'We simply cannot take the capitalist system, which produces such plenty and so many solutions, for granted. Prosperity requires not just investment in economic capital, but investment in social capital.'⁹⁷

This point harks back to Adam Smith's *The theory of moral sentiments* and his idea of 'benevolent self interest'. Neil McInroy of the Centre for Economic Strategies, who is working on a Trust-funded project on the relationship between economic and social development, uses the idea of benevolent self-interest to suggest:

'... the economic policy world has and continues to overplay "self-interest", seeing the economic sphere as a distinct and opposite pole to the social sphere. It is not. They are and should be one and the same. Therefore, the aim of the economy should be about improving social conditions, in which wealth creation in any society is not just about private gain, but primarily is about the development of human and social life and a decent standard of living for all.'⁹⁸

Such a perspective is important, argues McInroy, if we are to avoid Adam Smith's warning that 'no society can be flourishing and happy, for which the far greater part of the members are poor and miserable'.

History is littered with examples of how poverty and misery undermine the social contract, and such a risk should be avoided. The social contract provides the security for all that we do. At a critical moment during the Second World War, British political parties put aside their differences to plan the peace, and decided that the key driver should be social security.⁹⁹ This



From the Children North East photography project.

would be the just reward for people who fought to keep the country free from Fascism. Never again should people have to face the despair of the 1930s.

The work of the wartime coalition government formed the basis of the postwar consensus that has now been lost forever. The old ways of thinking – socialism, liberalism and conservatism – will not bring it back, and are of limited value in a complex, globalised and non-linear world where a single answer or perspective will not deliver us what we need.

The context too has changed forever. The growth of globalisation means that it is difficult for nation states to organise their economies on an internal basis. Governments may wish in principle to increase income tax or corporation tax and to redistribute income to the poor, but if they do so, they run the risk of wealth creators leaving the country, while deterring inward investment. This could reduce economic efficiency and increase unemployment. It follows that efforts to increase economic equality could rebound and reduce living standards for the poor. Keynesian fiscal policies designed to stimulate investment and to increase employment have limits because increased spending pushes up the public sector deficit, reducing confidence in the bond markets and driving up interest rates, thus inhibiting business enterprise.

Modern governments nowadays have limited room for manoeuvre in managing their economies.

Again, these dilemmas point up the need to think about our society differently. To encourage this process, we have developed materials from a number of different angles, which may help people come together to begin to develop a good society.

In doing this we follow Aristotle's method. Aristotle had a principle of 'respecting ordinary opinions and beliefs', not because they are necessarily right but because they contain clues about what might be right or make us explain why they are not right. This is why we have conducted extensive population surveys. A theory that fails to take account of what ordinary people think would be low on democratic legitimacy and would have little connection with the prevailing views of the day.

According to Aristotle, it is possible to improve on common beliefs by virtue of 'practical reason' – that is, by using expert knowledge to enhance ordinary people's opinions to find the path to the greatest good. In this way, a good society is a developmental process, built from the bottom up based on what people want. Aristotle was not naive enough to think that this led to a single precise outcome. It is the process of development that matters as much as the final result.

The process that we set out follows this basic approach. We begin with a series of population studies of what people want from their society. This gives us the basics. Following this we identify a number of criteria for development:

- 1 **Inclusiveness** We need to take account of a variety of views and opinions and produce testable propositions for further work. We are not looking for a single 'right' answer, but a series of perspectives and values that can form the basis for the way that society is organised from now on.
- 2 **Responsiveness** It is important to discuss emerging findings to give empirically grounded material that can be enhanced and refined through discussion and debate. This feeds the necessary energy to make progress.
- 3 **Enthusiasm** We need to counter the boredom and apathy that people feel about politics. The Scottish Referendum in 2014 mobilised people to consider their futures in ways not seen in politics for a very long time. A debate about a good society should be a counter to drift and give people hope that things can be better. Discussions should include normative issues that do not find their way into the narrow conception of issues determined by political parties.
- 4 **Forward looking** It is important to look to the future. Many of the reports that the Trust has commissioned look back in nostalgia to 1945. The world has moved on and the succeeding 70 years have produced such profound changes that the solutions devised then have little prospect of working now. One of the reasons we have given such prominence to the views of children and young people is that their opinions look forwards and not backwards.

- 5 **Realism** It is important that the future is grounded in today's conditions, including the budget deficit that the country faces.
- 6 **Difference** We need to be explicit about values and assumptions and find new ways of planning that escape some of the errors of the past.
- 7 **Long-term** There are no quick fixes; we need time to address some of the difficulties we face.
- 8 **Appeal to our better natures** We need to avoid the anger and negativity of the political debate and seek out 'good enough' solutions based on compromise. This involves ensuring that we act on David Hume's view that human beings are basically benevolent and have much in common when it comes to their values.

In Part 3 of this report, we address the first of the above points. We examine ordinary people's views of the society that they want and how poverty interferes with this.

In Part 2, we have demonstrated that an active public concern with what constitutes a good society has fallen off the political agenda. Although there will always be competing answers, it is important that we reactivate this concern to ensure that we obtain the society that we want.

Part 3

What people want

In this section, we give empirical results from two major projects that investigate what people want.

The first project comprises a series of interlinked population studies conducted with the survey company YouGov. The second is a series of interrelated action research projects conducted by children with the support of Children North East.

Both studies concentrate on the kind of society people want. We begin with adults' views and then move to children's views.

Adults' views of a good society

The methodology for the adult study involved four main stages. The first stage involved a sample survey of slightly more than 2,000 adults to find the range of issues connected to a good society without poverty. Following this, we organised eight focus groups comprising people who had taken the survey. Selection for the groups was based on two criteria: attitudes to poverty and income level. Following this we organised a further four focus groups to investigate the meaning and importance of various terms used in the earlier focus groups. Finally, we undertook a sample survey of more than 10,000 adults with the purpose of understanding what kind of society people want and where poverty stands in that society. In the

process of these studies, we consulted relevant people and organisations to ensure that our questions were connected to their concerns.

In this report, we set out a selection of relevant findings from the research. We will conduct more extensive analysis for a more specialised publication later in the year.

Fair is the word

When it comes to a good society, the word that matters most is 'fairness'. We asked 10,112 adults over the age of 16 to say 'which one of the following phrases best describes what you would like Britain to be?' Answer options included:

- An 'everyone for themselves' society
- A 'fair' society
- An 'equal' society
- 'UK PLC'
- Don't know

A majority (60.9 per cent) opted for a 'fair' society. The next most popular option was an 'equal' society (20.7 per cent). The other options were much less popular (7.0 per cent for 'UK PLC', 2.0 per cent for 'everyone for themselves' society and the remaining 8.4 per cent 'don't know').

Through our early pilot studies and focus groups, we identified 17 qualities that people said were important for a good society. We tested these in the population survey from two angles: their importance and their presence. First, we asked 'how important, if at all, do you think each of the qualities are for a "good society"?' Answer options included: 'very important', 'fairly important', 'not very important', 'not important at all' or 'don't know'. Second, we asked 'how present, if at all, do you think that each of the following is in Britain today?' Answer options included: 'very present', 'fairly present', 'not very present', 'not present at all' or 'don't know'.

Chart 2 displays the results. The blue line denotes the percentage that said that each quality was very important or important for a good society, and the red line shows the percentage that said that it was very present or fairly present.

Chart 2: Percentage of 10,112 British respondents aged 16+ who consider each of the above elements to be, first, important and, second, present in a 'good society'

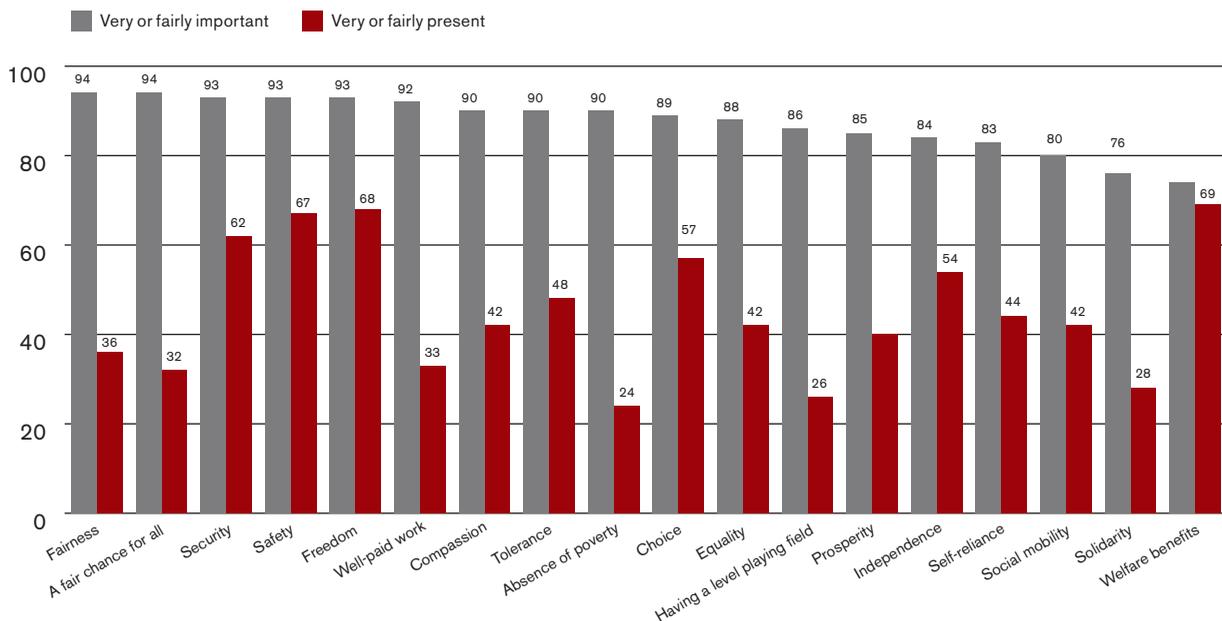
It is evident from Chart 2 that 'fairness' and 'a fair chance for all' are the most important qualities of a

good society, with 94 per cent seeing it as 'fairly or very important'.

It is noteworthy that all items score 74 per cent or above, reflecting that the items chosen had been identified as being important in earlier stages of the research. What is significant about the above chart is the variation between the different items and their rank order. It is striking that eight of the nine items that score 90 per cent or above measure social qualities, such as security, safety and independence, rather than economic ones. The highest economic indicator, well-paid work, is ranked sixth, while prosperity comes twelfth.

This is consistent with results from our focus groups, in which it was clear that it is people's relationships rather than their material wellbeing that drives their conceptions of what a good society looks like. The quality of people's being in the world is more important than what they own. Economics appears to play a much less important part in our lives than politicians of all stripes would have us believe.

Chart 2 Qualities of a good society that people consider to be (a) important and (b) present



A key word is 'community'. Although some people saw the idea of community as utopian, most people felt that Britain is at its best when we are 'together' in a venture such as the Olympics. Such a community is not a static place and is continually evolving through new communities such as social media, though it relies heavily on face-to-face contact.

The idea of community is underpinned by four key qualities including safety, tolerance, fairness and equality. Although people mean different things when they talk about these qualities, they form the basis for people's place in the world, giving them the opportunity to develop and thrive. Conspicuous by their absence from focus group discussions were factors such as wealth, money and power. For most people the good life is not about having a lot of money; it is about having enough to pay their way and occasionally enjoy a few luxuries. Both having well-paid work and the absence of poverty were important, but largely because they help people to live fuller lives. These findings are consistent with many findings from happiness research.¹⁰⁰

Ideal versus real

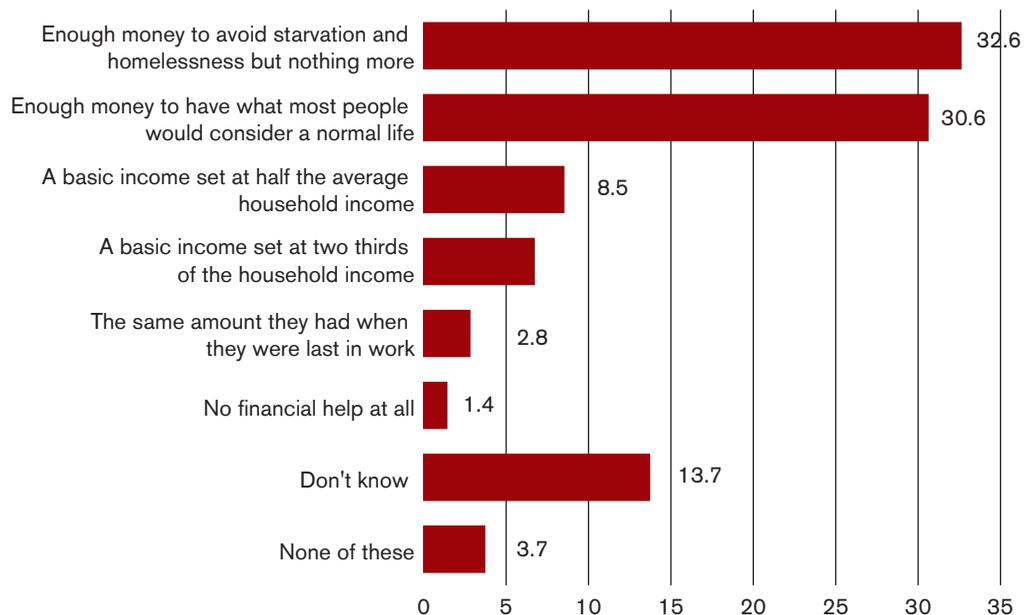
A glimpse at Chart 2 is sufficient to reveal that there is a gap between the qualities that people think are important in a good society and whether those qualities are present or not. Statistical analysis revealed that there was no correlation in the priority order between those qualities that are important in a good society and those that are actually present in our society. Particularly large gaps occurred between what was regarded as the most important ideal – fairness, and the closely related 'fair chance for all' and 'level playing field' – and its reality in the Britain of today.

Other large gaps opened up on 'well-paid work' and 'the absence of poverty'. This was important because focus groups revealed that people feel that well-paid work would cure many of the ills in our society and that poverty has no place in it.

Poverty and a good society

When it comes to poverty, almost everyone is united about removing absolute poverty, but the issue of relative poverty divides people sharply.

Chart 2 Desirable government support to unemployed people



Such a division is clear from responses to the question: 'Thinking about the government helping those who are not in work, which one of the following do you think is the best source of financial help that the government can provide?' Responses are shown in Chart 3.

Views on absolute and relative poverty underpin attitudes towards welfare benefits. We saw from Chart 2 that 74 per cent of respondents thought welfare benefits are fairly or very important qualities in a good society. We also saw that 65 per cent of respondents thought that welfare benefits are fairly or very present – a gap of only 9 per cent. At first sight, this may seem to be a good result because this is by far the smallest gap between ideal and real ratings in Chart 2. However, closer inspection reveals that there is an inverse statistical relationship between those who say that this is an important quality and those who say it is present (Spearman's $Rho = -0.342$). Views on welfare benefits are highly contentious, with people who see them as a feature of a good society typically saying that they are absent, while those who do not see them as a feature of a good society say that they are present.

In our pilot survey, we identified three distinct and characteristic attitudes towards poverty:

- 1 Since poverty is beyond the control of the individual, it is the responsibility of the state, the labour market or some other external agency to deal with it
- 2 Since poverty is within the control of the individual, a new set of attitudes and behaviours on the part of the poor is required
- 3 Since poverty is an inevitable part of society such that 'the poor are always with us', there is nothing to be done about it

In focus groups, we found that these attitudes towards poverty had a big effect on the way that people saw the critical features of a good society. We found, for example, that people with the first attitude, namely

that poverty is a structural issue, were more likely to stress equality as an important societal virtue, while those who saw poverty as being in control of the individual were more likely to see the importance of safety. Indeed, unfavourable attitudes towards people in poverty often seemed to be a reflection of inner fears and uncertainties that were projected on to the world. Safety – and its close correlates security and confidence – play a special role because when people feel insecure they tend to have hostile views towards other people, including people who they regard as the undeserving poor. Psychological comfort levels have emerged as a powerful strand in what constitutes a good society.

Tolerance was a particularly important feature of a good society for benefit recipients and people on low incomes. People in this group feel that they are discriminated against and marginalised and that the press and government encourage this. While equality of opportunity is also very important for people on low incomes, there is also the recognition that not everyone has the ability to work.

We found that fairness was an important factor for all groups. However, fairness means different things for different groups. For people who take a structural view of society, fairness is linked to equality where all individuals are treated equally regardless of class, ethnicity or contribution to society. For people who take an individualistic view of society, fairness is about contributing to society and only taking out what you've put in. Help to those in need is often seen to be conditional upon their contribution to society.

This means that there is no overall narrative of what a good society without poverty would look like. We need a plurality of narratives, and we need to understand each of those narratives if we are to make progress in understanding what would work to interest different groups in the population in reducing poverty. We explore this plurality in the next section.

Segmentation

We conducted a hierarchical cluster analysis of the characteristics of respondents and their answers to questions to identify the key groups in society in terms of their attitudes towards a good society and the role of poverty. We found six groups, which we labelled on the basis of their characteristics as: 'idealists', 'libertarians', 'conservatives', 'realists', 'stoics' and 'disengaged'.

Idealists

We start with those who are most moved by poverty and wish to do something about it. 'Idealists' are very concerned about poverty and see it as unacceptable. Idealists typically read the *Guardian*, vote Labour or Liberal Democrat, and are more prevalent in Scotland than other parts of the UK. Idealists see the value of the welfare state and access to services. They are much concerned with the consequences of social inequality and wish to improve the environment. They value tolerance and social mobility. For idealists, government action on poverty should mean that people in poverty should live a life as close to normal as possible.

Idealists are more likely than other groups to see a gap between their ideals and the reality of Britain. They are optimistic, however, that intervention could see improvements in social conditions on issues such as education, hunger and mental health. They see government, employers and businesses having an important role in this. But families have little role to play. Idealists form an estimated 12 per cent of the population.

Libertarians

'Libertarians' stress the value of self-reliance as the key agency in the world. They see the value of choice. Poverty is the result of people's bad choices, and individuals and families are responsible for their own poverty. Libertarians typically vote Conservative, are

concerned about immigration, and feel that immigration will increase poverty. There are, however, more important priorities than poverty.

Libertarians feel that many people are over-dependent on the NHS and that welfare benefits should depend on contributions. They agree that government should help people in poverty but only to stop them starving. Families, not the state, should have the main responsibility to help people who fall into poverty. For libertarians, Britain is a compassionate place but poverty is inevitable. Libertarians form 19 per cent of the population.

Idealists and libertarians appear to form the extremes of opinion when it comes to the issue of a good society without poverty. While idealists stress structure, libertarians stress individual agency. All other groups fall between these two extremes, together forming the remaining 69 per cent of the population. Being generally more moderate, they have fewer stand-out characteristics.

Conservatives

'Conservatives' are particularly concerned with 'fairness' and having a level playing field. They typically see choice and well-paid work as the keys to a good society. They are more likely than other groups to say that Britain is fair and secure and has well-paid work, and so they tend to be more content with the current condition of society.

Conservatives are likely to read the *Financial Times* or the *Guardian*. They are likely to say that other issues are more important than poverty and inequality and that unemployed people should look harder for work because poverty is likely to be due to people's choices. They would like to see less of a 'free handout culture' in Britain and tend to feel that some people are over-dependent on the NHS. Conservatives are the

most prevalent of all groups and form 23 per cent of the population.

Realists

'Realists' are likely to read the *Daily Mirror* or the *Daily Record*. They typically see themselves as poorer than average and tend to be in classes D and E. They are most likely to vote Labour and see structural causes for poverty. While most people see buying a secondhand car as 'normal', realists see this as a luxury. Realists worry that immigration is increasing poverty. They form 18 per cent of the population.

Stoics

'Stoics' see poverty and associated conditions as an inevitable part of a modern society. Although in their view there is not much that could be done to radically alter that, the living wage, they feel that reducing the cost of living and providing affordable housing can ameliorate the worst effects of poverty.

Stoics tend to be characterized by the lack of strong opinions, though the idea of tolerance is very important to them. They feel that knowing people is the way to get on. Stoics form 17 per cent of the population.

Disengaged

The final group is labelled 'disengaged'. They are called this because they typically answer survey questions with the answer 'don't know'. They tend to be younger than average and are particularly prevalent among the 18–24 age group. They are more likely to live in London, be unemployed or a student, and read the *Sun* or *Star* newspapers. They are particularly sceptical about schools being able to do much to reduce poverty. They form 10 per cent of the population.

It is clear that any strategy to develop a good society without poverty has to take account of a wide variety of perspectives.

Children's voices

The second strand of work featured here is the views of children and young people. Over a three-year period, the Trust supported a number of interlinked projects, including a conference in the north east of England, the production of a play by children, a photography project and an online game, together with a series of residential meetings in which children could both develop and record their thoughts. The details of the work are included on the website of Children North East, which has acted as a support organisation for the young people.¹⁰¹

The work culminated in a document called *Poverty ends now*.¹⁰² Thirty-eight young people contributed to writing this based on the work of a wider group of 180 young people between 2012 and 2014. Children and young people did all of the work and, though adults were on hand to offer guidance, adults were careful not to control decisions.

The name 'Poverty Ends Now' (PEN) was chosen because the young people felt that it was commanding, short, and catchy for social media purposes and also because the PEN acronym matched what they were doing – writing.

To implement their findings, the children planned three national actions: a launch of their manifesto in parliament, tabling parliamentary questions and writing an evidence submission, and undertaking a national media campaign. The All Party Parliamentary Group on Poverty provided a forum for the national work.

The children also planned six local actions based on the six themes that emerged as central to young people's concerns: decent incomes in Liverpool, affordable housing in London, equality at school in the north east, healthy food in Gateshead, feeling safe in Manchester, and public transport in Newcastle.

The final manifesto was clear and succinct. It was based on six principles:

- 1 A minimum standard of living, not just surviving, for every family in Britain
- 2 An equal schools experience for all
- 3 Affordable, decent homes for everyone
- 4 Access to three affordable, healthy meals a day for every young person
- 5 A feeling of safety within their communities and at home for everyone
- 6 Affordable transport for all young people everywhere

These principles were derived from the life experiences of the young people. Unlike many people who write about poverty, the young people ‘tell it straight’ based on their own authentic experience. Their legitimacy is based on emotional connection with the issue, as opposed to detached thought.

The document also reflects the fact that children see things differently from adults. Their perception is more direct and concrete – focusing on immediate things like the lack of food in the fridge, the inability to go on school trips, or the embarrassment of bringing friends home to a flat with rising damp. Things that have little place in the poverty debate among adults, such as love from parents or caring for pets, are very important to children. Children lack the theoretical baggage that adults tend to carry, avoiding quibbles about whether the best definition of poverty is ‘below 60 per cent of the median income’. They also feel that whatever is wrong should be fixed now. The title of their manifesto, *Poverty ends now*, speaks to an immediacy that is rarely present in the policy debates of adults.

The difference in frameworks between adults and children produced one of the most valuable outcomes from the project. As one of the professional workers who facilitated the work of the young people commented in a project report:

‘The strongest outcome was the democratic challenge the project posed those working in the “poverty” sector, locally and nationally and implicitly and explicitly.’

In her report, the professional worker cited an event in Manchester:

‘You could see the decision makers present (from police commissioners to councillors to voluntary sector people) slowly coming around to the realisation that these young people were “key stakeholders” (their words) in decisions they’d be making for a while now, and that their views were incredibly important.’

All of the local projects were successful in raising awareness about the value of young people’s views. To take some examples, in Liverpool, young people developed a play called *Brass Razoo*, which was performed to a full house in November 2014. Trade unions saw the potential of using the play to promote discussion of the issues and gave the group financial support to enable a second performance at a 1,000-person capacity theatre. In Manchester, the police commissioner began to work with the group of young people on issues ranging from sexual exploitation to park lighting. In the north east, the group met every two weeks to discuss poverty and education. On the advice of their local MP, the group conducted a questionnaire in their own schools and colleges to gather evidence about the impact of poverty in schools. They spoke to over 1,000 local young people, analysed the findings and organised a local evidence session with 60 regional decision makers. They presented their findings to the chair of the Social Mobility and Child Poverty Commission, Alan Milburn. The group has now been offered funding by the North East Child Poverty Commission to continue meeting over the next year to act as a shadow youth board of the commission as well as continuing their work on the manifesto priorities.

All local events engaged local councillors, MPs, teachers, etc in their activities and events. They all attracted local press coverage too. That young people used exciting ways of engaging people, such as plays and real-life examples, as opposed to traditional reports, helped to attract attention.

Nationally, the work raised awareness of the issues, though there is less evidence of lasting outcomes. *Poverty ends now* was launched on 15 October 2014 at the Houses of Parliament. Young people presented the report to a large audience of young people and some MPs and peers, and engaged in a formal questioning of three MPs, one from each of the three main political parties. Although the event was highly successful and had a positive effect on the confidence of the young people, there was no sense that any action would be taken as a result of the work. There is a risk that much effort can go into supporting events and actions of this kind, but that messages, while listened to at the time, have little effect on policy or practice.

The launch of the Poverty Manifesto at the Houses of Parliament on 15 October 2014]

This brings us to the vexed question of participation and power: people may be able to take part in political processes, but it does not follow that they have any power to change things. This brings us to the question of agency and the final part of this report.

In Part 3, we show that the most important quality of a good society is 'fairness'. Almost everyone agrees that a good society is damaged by absolute poverty, though the idea of relative poverty is more controversial. Everyone, and most particularly children, wants to live secure lives with good relationships and this has a much higher priority than making lots of money.

In taking forward the agenda of developing a good society without poverty, there are six main types of people, each with different views about what should be done and how. This means that there are multiple narratives that need to be taken into account.



Part 4

Towards agency

It is one thing to produce a report; quite another to have anyone take any notice of it. We have noted that reports highlighting the problem of poverty have limited effect, yet they keep on coming.

In the coming year, we can predict – with a high degree of confidence – that there will be more than 20 well-researched reports on poverty. If the future resembles the past, very few of them will do any more than say that ‘there is a growing challenge that needs to be overcome’. There appears to be a cycle. Let us take the World Economic Forum as an example. This meets in Davos in January each year. On 19 January 2014, the headline of the *Guardian* newspaper read: ‘Oxfam: 85 richest people as wealthy as the poorest half of the world.’ A year later, on 20 January 2015, the same newspaper led with: ‘New Oxfam report says half of global wealth held by the 1%.’

This brings us back to our starting point for this study. We are stuck when it comes to poverty. Reports highlighting the problem often gain publicity but result in no action, and may – if we consider the evidence we cited in Part 1 – actually make things worse. What is conspicuously absent is an agreed mechanism to address poverty. Indeed, as we will see later, the issue of agency is highly contentious and part of the reason why we cannot make progress.

Beatrice Webb was very clear about who should take responsibility for poverty. In the Minority Report, she proposed that the state should assume responsibility ‘to secure a national minimum of civilised life open to all alike, of both sexes and all classes’, by which she meant ‘sufficient nourishment and training when young, a living wage when able-bodied, treatment when sick, and modest but secure livelihood when disabled or aged’. Voluntary agencies should add to this by providing services ‘that are placed firmly on the foundation of an enforced minimum standard of life and carry out the work of public authorities to finer shades of physical and moral and spiritual perfection’.

Limitations of the supply side

When the Trust supported a Fabian Society review of the welfare state in 2006, called *Poverty in an age of affluence*, it followed firmly in the footsteps of Beatrice Webb. The premise was that, notwithstanding the vast gains made in British society since the Second World War, there was a residual problem of poverty for the bottom quintile in our society. The recommendations in the final report relied heavily on state intervention.¹⁰³

As things stand, however, it seems unlikely that Beatrice Webb’s model of change, which relies on top-down planning using state resources, will be a

viable option for the foreseeable future. In a short space of time, the world has shifted under our feet. Owing to cuts in public sector budgets, all of the actors that have the potential to address poverty are in serious retreat. Local authorities face year-on-year cuts, the voluntary sector is in survivalist mode, and the infrastructure that once supported community development has been swept away.

These developments notwithstanding, many well-constructed think tank reports, including some funded by the Trust, continue to make recommendations that rely on government action without recognising that the architecture to combat poverty has suffered serious damage. Moreover, many recommendations look backwards towards Beveridge without failing to acknowledge that the social and economic conditions that supported it have changed beyond recognition. His plan was predicated on an industrial society, full employment, short lives, male breadwinners, low mobility and low immigration. The plan assumed that governments could use a range of economic and social instruments to manage domestic economies as set out under the 1944 Bretton Woods arrangements. Nowadays, the public sector has

much less influence, while private corporations are in a powerful position – 44 of the world's 100 largest economies belong to private corporations. The rise of the private sector is set to continue as trade tariffs, corporate tax rates and communication costs continue to be reduced across the world. Such a tendency reduces the capacity for state action and influence.

What about the demand side?

So, if the supply side of reducing poverty is in a parlous condition, what of the demand side? As we noted earlier, concern to reduce poverty has little resonance outside the narrow confines of a policy elite. There is little groundswell of popular support for any ideas developed – still less a demand from people living in poverty that their situation be dealt with. We are a far cry from 1903 when thousands of people thronged to listen to Joseph Chamberlain's speech on Free Trade or from 1942 when people queued around the block to buy the Beveridge Report. Politics has become a spectator sport, and many have stopped watching.

Ironically, part of the reason for the decline in participation was the early welfare state. In *Why*



From the Children North East photography project.

successful movements are all about relationships, Hilary Cottam talks about 'Beveridge's mistake' on the welfare state.¹⁰⁴ This was that people were 'done to', not 'done with'. Towards the end of his life, Beveridge saw that the welfare state undermined what people acting together could do to bring social advance.¹⁰⁵ One of the reasons why Citizens UK has been so successful in its living wage campaign is that its approach puts citizens' relationships with one another at the heart of its work. In her contribution to the 2014 Webb Memorial Trust *New Statesman Poverty Supplement*, Ruth Lister stresses the importance of participation in reaching societal solutions and cites the Commission on Poverty, Participation and Power as an example of good practice, with half of its members having had direct experience of poverty.¹⁰⁶

Participation plays a vital part in developing society.¹⁰⁷ There is a line of history, almost entirely disregarded by current thinkers, that traces connections between John Ruskin's *Unto This Last*, first published as essays in 1860, through its translation into Gujarati by Gandhi in 1908, through to the influence of the campaign for Indian independence, through to the civil rights movement in the US and then to the broad-based organising of Citizens UK. The central point is that transformative power is found in relationships that are shared and not hoarded. This entails a transition from transactional relationships to participative relationships. The architect of this approach is Mary Parker Follett, a contemporary of Beatrice Webb, who saw the importance of 'power with' as opposed to 'power over'.¹⁰⁸ Beatrice and Sidney Webb themselves saw the need for every generation to mobilise people in favour of positive social change.

A space to discuss and develop

What people have told us during the Webb Memorial Trust research and consultations is that there is no space to discuss the big issues facing our society.

In meetings and conferences, topics are typically narrow and technocratic. People say that most think tank reports deal in specific topics without connecting their reports to a wider narrative to suggest how change in one specific area might be connected to a bigger picture.

One of the problems about developing a forum for discussion of poverty and how to remove it is that the very idea of poverty divides people. On the one hand are those who think that poverty is a structural problem that can be dealt with only by governments; on the other are those who think it is a problem of attitudes and behaviour that can be dealt with only by individuals in poverty, who need to take responsibility for their predicament, and become more enterprising in earning more money and spending less.¹⁰⁹

Julia Unwin has pointed out in *Why fight poverty?* that such a dichotomy is unhelpful. Moreover, from the point of view of the social science literature, agency and structure are two sides of the same coin of social change. Agency is the capacity of individuals to act independently and to make their own free choices. Agency takes place in the context of structure. Structure is the amalgam of factors of influence (such as social class, religion, gender, ethnicity and customs) that determine or limit an agent and his or her decisions.¹¹⁰ The relative influence of from structure and agency is unclear. From the point of view of the evidence, there is nothing to say that one dominates the other.¹¹¹

It seems sensible to put aside such dichotomies and concentrate on solution of the problem. The idea that there is one right way to tackle poverty to the exclusion of all others appears foolish. The truth is that both agency and structure matter. We need to find common ground while embracing a multiplicity of views about what is good for progress. We need to be inclusive and to find accommodations between different views. As we saw from our surveys, idealists (who favour

structural solutions) and libertarians (who favour individual solutions) are both in a minority.

In developing a forum, it is vital that the reimaging process involves more grassroots voice than the movement that Beatrice Webb was involved in 100 years ago. 'Experts' led her campaign, and one lesson from planning is that 'expert' opinion is rarely sufficient. It must be supplemented by pluralistic visions for a better future. People who have so far been let down by developmental processes need to be involved. This means listening to the broader public as well as involving deprived communities, younger people, older people, and people without paid employment.

So, where is positive change going to come from? How can we think about the roles of civil society, business and government in addressing poverty creatively while being mindful of the background realities and finances that constrain what can be done? These are key questions that the Trust will address in the next stage of its work.

We may be able to develop a model examining each of the main 'theories of change' designed to reduce poverty that have been identified in the literature, evaluating 'who' makes the change at what stage in the lifecycle. This would build on the vision and energy that accompanied Beatrice Webb's Minority Report. Above all, the field needs a new perspective, new vision and new energy.

In Part 4, we have highlighted the importance of who takes forward the issue of a good society without poverty. Traditional agencies are in retreat and we need a new configuration of forces to manage this, rather than continually repeating the patterns of the past.

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From the Children North East photography project.



the society we want

Barry Knight

We are stuck when it comes to the problem of poverty. Every month a new report appears detailing another aspect of the problem, yet little progress is being made towards solutions and the debate has become 'angry and fruitless'.

This report suggests that we need a different starting point. Derived from the perspective of Beatrice Webb, who saw that poverty results from processes of economic management and social structure, the key question is what kind of society do we want?

This report draws on material collected by the Webb Memorial Trust in response to the question 'what would a good society without poverty look like?' Answers are drawn from population studies, a manifesto drawn up by children and young people, and Trust-commissioned research projects.

The results suggest that we need a new perspective, energy and agency if we are to get beyond the depressing cycle of reports about the problem.

Launch of the Poverty Manifesto in the Houses of Parliament on 15 October 2014.

