A Good Society Without Poverty
Creating the world we want to see

NewStatesman

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Webb Memorial Trust
In the new economic climate, the old model of a well-funded welfare state, itself financed by constant domestic growth, is beginning to crumble as both an economic and a political reality. Against this backdrop, alleviation of poverty and expansion of opportunity cannot be left to the state. All of us, no matter where we are in the country or in what sector we are employed, have the potential to help, as this special report demonstrates.

This is the fifth and final supplement from the Webb Memorial Trust. Part of a series of work from the Trust that explores what a good society means and how it might be achieved, this edition summarises the findings of a diverse group of Webb grantees, each of whom has been tasked with thinking creatively about the different actors that can help in reducing poverty. While each project was unique, every grantee has identified that there is an urgent need to create a new narrative about poverty, one that can be expressed in simple terms and which would command wide public attention and support.

There are many ideas contained within. The aim is that these do not merely remain ideas, but that others will pick up the mantle and work in partnership with all interested parties to deliver what is needed. Ultimately, when people in our community feel shut out of society it harms us all. The themes of poverty and empowerment might be big but no matter how small you are, change starts with you.
How to end poverty? This has been a central question for social reformers since Beatrice Webb’s 1909 Minority Report on the Poor Law challenged society to end destitution. Research for the Webb Memorial Trust, however, suggests, that this is the wrong starting point. Answers to “how?” point to mechanical policy levers to deliver what we want. Yet such efforts almost always lead to failure. Examples include the American “War on Poverty”, which was designed to deliver a great society in the 1960s, but didn’t. More recently, the Neighbourhood Renewal Programme was the centre point of Labour’s regeneration policy, designed to close the gap between the poorest neighbourhoods and the rest, but was closed early by the Treasury because of a lack of progress.

A “social administration” approach to poverty, in which government policies could foster an economy creating good jobs and support a welfare system, belongs to an untypical age in the 30 years after 1945. Notwithstanding considerable social advance, the system failed to lift the bottom 20 per cent of people out of poverty and did little to address underlying inequality. Even if a top-down approach could work, there is another reason why we need to think differently. The old system was dependent on people in poverty being passive consumers of services and benefits. In Julien Le Grand’s famous 1997 study Knights and Knaves, he characterised them as “pawns”.

In post-Brexit Britain, it is clear that ordinary people, particularly young people, are no longer willing to play that role. With such widespread contempt for the establishment, people will no longer accept such blueprints. People want to be part of an active society where everyone has a role to play. Without that, no policy can succeed. The growth of Poverty Truth Commissions, and their slogan “Nothing about us without us is for us”, is emblematic of the prevailing new mood. The key question to ask, then, is not “how?” but “who?” Answers to this imply responsibility, agency and power. An example is the Living Wage Campaign. Ordinary people in the East End of London – despite their evident diversity – united around a common aim and changed government policy from the bottom up. If enough people want change, it will happen.

The 2008 financial crash, subsequent austerity policies and now Brexit have all challenged the idea that development depends on state agencies and an elite group of NGOs and poverty campaigners. This industry is in retreat and is now emerging from its preoccupation with its own survival to realise that it needs to engage the general public or face extinction. This involves reframing the narrative of poverty. The term itself is “toxic” and has no place in an organising strategy for the society we want.

Poverty, according to Beatrice Webb, is a symptom of economic mismanagement and social structure. It follows that we need to address the causes, rather than the symptom. In doing this, we need to move to an asset-based approach where people are not passive victims requiring support to enable them to subsist, but instead need a framework in which they can play an active part in a good society that enables them to fulfil their potential as free and creative human beings.

This requires a different model of power, deriving from the one offered by the early-20th-century feminist writer Mary Parker Follett, of “power with”, rather than “power over”. On this model, society is a self-organising system in which everyone is tasked with creating the economy and society that we all want.

No matter who we are, we are all involved in making things better. Barry Knight is principal of the Webb Memorial Trust.
A good society without poverty is the aim of the Webb Memorial Trust— but that aim seems as far away today as it must have done to Beatrice Webb when she wrote her Minority Report on the Poor Law in 1909. While Webb’s ideas saw fruition in 1945, with the postwar settlement ushering in a period of falling poverty and inequality, and socio-economic security provided as never before, this was firmly rejected by Thatcher’s 1979 government and the subsequent neoliberal dominance. Social security has been reframed as welfare, now a toxic issue. The system no longer ensures the avoidance of hunger, never mind guaranteeing shelter or participation in society. The UK is one of the six wealthiest countries in the world, with riches beyond the dreams of most of human history, and yet poverty has become an entrenched element of our socio-economic structure.

The question posed here is: whose job is it to build a good society without poverty? It has become fashionable to say it is the responsibility of “all of us”—a long list of employers, philanthropists, individuals, charities, government, councils, communities and so on. It is difficult to disagree with an essentially tautological contention, because obviously “all of us” can play a role if we so wish. Employers could pay the Living Wage, invest in training and facilitate progression for staff. Government controls benefit levels, taxation and legislation in a wide range of relevant fields. Philanthropists could spend their money tackling poverty. There are thousands of examples of anti-poverty action at a local level. However, this approach of “all of us” is problematic in two ways.

First, instead of paying a Living Wage, employers can choose to avoid paying the minimum wage. Zero-hours contracts have proliferated; one has only to think of Sports Direct. Social security has diminished because of government’s policy choices. Local action cannot change benefit levels, or taxation, or important aspects of legislation. One could question whether philanthropists are the solution or a symptom of gross inequality and the causes of poverty. Not all of us are motivated by a desire to reduce poverty.

Creating a shared vision

If you want a society free from poverty, then you are partly responsible for making it happen, says Michael Orton

A good society free from poverty is the aim of the Webb Memorial Trust— but that aim seems as far away today as it must have done to Beatrice Webb when she wrote her Minority Report on the Poor Law in 1909. While Webb’s ideas saw fruition in 1945, with the postwar settlement ushering in a period of falling poverty and inequality, and socio-economic security provided as never before, this was firmly rejected by Thatcher’s 1979 government and the subsequent neoliberal dominance. Social security has been reframed as welfare, now a toxic issue. The system no longer ensures the avoidance of hunger, never mind guaranteeing shelter or participation in society. The UK is one of the six wealthiest countries in the world, with riches beyond the dreams of most of human history, and yet poverty has become an entrenched element of our socio-economic structure.

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UK progressive society (outside party politics), undertaken by Compass and the New Economics Foundation (NEF), identified 160,000 organisations, employing 800,000 people and with an annual turnover of £39bn.

It is clearly a great strength that millions of people can be mobilised to support progressive causes, but the Compass-NEF review also identified weaknesses. First among these is the lack of a shared progressive vision. Even though the review noted there are strong and overlapping values – democracy, equality, social justice – there is a lack of principles that express what these values mean in practice, resulting in a lack of focus and priority. In contrast, neoliberalism’s five principles (free markets, small state, low tax, individual liberty, big defence) have allowed more than 450 right-wing think tanks around the world to work and campaign with a shared vision and common framework. Lacking an alternative common vision, institutions become territorial and act in silos; it is harder to collaborate; organisations often start from scratch; working in a silo, producing policy shopping lists or yet another individual manifesto, this is based on work – funded by Webb and published by Compass – which drew on ideas from across civil society. The outcome is a vision of a good society as one in which:

- We all have a decent standard of living.
- We are free to develop our potential and flourish, materially and emotionally.
- We participate, contribute and treat all with care and respect.
- We build a fair and sustainable future for the generations to follow.

Setting out a shared vision also requires a different mindset and way of working. Rather than the tyranny of perfection or the narcissism of small differences, it means seeing co-operation as an essential starting point, being willing to compromise and putting consensus-building centre stage. Instead of leaping into a deconstruction of the above points, we should consider two questions. Do you agree with any of the points (even if it is just one of them, which would be an important starting point)? If there are points with which you disagree, what better suggestion can you make in an equally accessible way?

Issues around poverty and the kind of society we want are contested, with competing ideas, arguments and interests. We can each choose between individual ideological perfection and organisational silos, or co-operation, compromise and consensus-building. But if you want a good society without poverty, then you are one of the people responsible for making it happen. Dr Michael Orton is a researcher at the University of Warwick

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The vote to leave the EU has opened our eyes to the depths of disillusionment, casting a torch on poverty and the inadequacies of our national economic model. It is clear that the UK lacks a concerted approach to tackling poverty and disadvantage. There is little appetite for greater use of redistributive models, remobilisation of the national welfare state or targeted social policy. We are left with an assumed – but woefully inadequate – rising economic tide, with poverty addressed by trickle-down.

In a new report, *Forging a Good Local Society: Tackling Poverty Through a Local Economic Reset*, I assert that there has to be an additional way – a new local anti-poverty deal – something that is more bespoke, more intimate, more socially innovative and experimental in the face of poverty. Tackling poverty needs concerted action that goes beyond a rising tide of economic growth and national competitiveness. Instead, there needs to be a much greater recognition that social inputs are not just a downstream outcome of general national economic wealth, but rather an upstream input. Addressing poverty and having decent social outcomes are not just a cost, but an economic investment. Far from being mutually exclusive, social fairness and economic success should go hand in hand. Indeed, the UK must be both to do either.

Encouragingly, we are starting to see elements of this thinking in practice. In many areas, the local state, communities, businesses and many civil society organisations are sensing a need to act locally, harnessing their concerns and developing innovative social action. These concerns are part reflected in a range of local poverty and fairness commissions, and are being re-energised by a renewed focus on inclusion and an articulation and mobilisation of alternative progressive local economics. Local identities and innovation are increasingly viewed as an antidote to remote and detached national policies. We must also be encouraged by the growing devolution of powers and...
resources to the local state and local areas more generally, and use this for anti-poverty goals. This represents a historic opportunity.

The philosopher and political theorist Roberto Unger writes that social innovation is about finding new ways in which people and communities organise themselves to meet needs and avoid poverty. In seeking to advance social innovation, Unger makes an important distinction between the minimalist and maximalist view of the social innovation movement.

The minimalist view depicts the social innovation movement as the preserve of civil society. In this view, its significance often plays second fiddle to big-ticket commercial activity and large-scale (usually national) state action. By contrast, the maximalist view sees the social innovation movement as not just about civil society, but about everything, including innovative activity within the locality and the nation state and in the wider commercial world.

As such, the progressive future is about maximising a process of change and innovation across the local community and voluntary sector, local public sector and local business. I believe this would beckon a progressive change, where a plethora of small-scale innovations foreshadow the possibilities of larger-scale transformations in society.

In order for this to happen, we need to acknowledge that the required intimacy and empathy across local public, social and commercial agencies is often beyond the ken of conventional national economic statecraft. National statecraft, often remote, is housed in central departments, steered by national ministries and administered by civil servants. In this, a deep sense and sentient understanding of citizens (and the social pain they feel) is both distant and has been eroded by a culture in which things are done to them, not by them, and where they are all too often reduced to the status of mere customers or clients.

In contrast, the local state and local government is well placed to harness an empathy and innovate in relationships with local commercial and social partners. For example, the local state, unlike the nation state, is expert in working with local social and commercial partners to curate and steward the places in which we work, do business, live and bring up families.

The local state, as a purchaser of goods and services, as an employer, as the owner of land and buildings, as a pension scheme provider, as an investor and as a partner with the local private and social sectors, could take (and indeed is taking) a more prominent role to “lock in” or stimulate local economic benefit and tackle poverty.

Local government is and should be seen as an active enabler, encouraging and inspiring innovative collaboration and crossover between social, public and commercial networks. This includes council leaders, mayors (including directly elected ones) and, importantly, councillors. It is about harnessing the expertise and empathy present in a range of local people, other public-sector agencies and third-sector partners, as well as businesses, and engaging them as leaders in their own fields and sectors. This is not fanciful. It is happening.

The report details seven critical agendas for change, including significant work undertaken on community wealth-building in Preston. The work there uses the collective power of local public-sector procurement and commissioning spending within local suppliers to develop supply chains and advance employment, with new forms of organisational ownerships such as co-operatives emerging – locking in wealth and creating a wider stake in it. This focus on place and going the extra mile is important, as deeper levels of empathy, care and concern can be better shared by local agents. Alongside the actions of the nation state, we need a local deal to tackle poverty. There is existing energy, but we need more policy prioritisation on this activity and more resources. Through this framework we can build a locally emboldened, empathic and co-ordinated approach to poverty.

Neil McInroy is chief executive of the Centre for Local Economic Strategies.
Is the third sector failing?

By failing to build an effective narrative have charities contributed to the very problems they are trying to solve?  
By Justin Watson

The third sector – charities, plus voluntary and community groups – makes a difference to millions of lives in the UK and around the world every day. However, media coverage of poor practice in some charities in recent months has prompted a long-overdue conversation within the sector about where we are and aren’t getting it right.

It is easy, in one sense, to see why this sector is finding things so challenging. Swingeing cuts across the board have hit those at the bottom hardest, leading to more demand for public services. Yet many local services have vanished, and those that continue are increasingly being provided by charities rather than government. This is a huge transfer of responsibility and risk, from the state to the third sector.

Meanwhile, as divisions across the country dominate social, political and media discussions, and the split between the haves and have-nots is shown in ever sharper focus, the space for charities to influence continues to be squeezed.

In this challenging environment we need to ask ourselves what we’re getting wrong. There is a growing consensus that the narratives used by the third sector, however well-meaning and “right”, have been rejected. Take “poverty”; a term that is politically divisive, laced with stigma and highly contested, to the point of still having to persuade people that it exists at all in the UK. Of course, we can’t lay blame for this entirely at the door of charities, but we don’t help ourselves. We often veer towards wanting to convert rather than convince, showing our outrage at the injustice of the issue and the failure to take it seriously, without considering our audience. We need a new narrative, to speak with one voice, with those directly affected and not for them. And we need to speak louder.

There is a competitiveness that is fuelled by cuts, increasing need and an environment focused on funding individual organisations to deliver specific interventions with discrete impact. What can we really achieve in just two or three years? The answer is: probably not very much, especially if we’re doing it alone.

The New Economics Foundation has charted a rise in community activism and engagement, but this is within a hugely challenging context of local economies left behind by globalisation. In this environment, are large charities getting in the way? At a recent event bringing together charities, academics and community organisations, we were told that there is a “sticky middle” of organisations that act as facilitators between communities and power, and that these organisations filter and distort community voices for their own ends.

This is a constant challenge across the sector, with large charities seeking to find their place. We need to think carefully about our role, our added value and how we can leverage this in support of communities and their needs, rather than just looking to meet our own agendas.

So, what to do? The answer has to be collaboration. We need to work together, pool our resources and share learning, ideas, skills, expertise and funding.

We should be a backbone, not a blocker, at local level – supporting, collaborating and convening on terms determined by the communities themselves.

Let’s also be more innovative in how we achieve these aims. Let’s make better use of technology and let’s recognise that collaboration outside the sector is critical, too; the skills and expertise of the business community are valuable.

Real change will only come when collective impact is embraced. Through our shared voice and actions, there is the potential to play a critical role in the establishment of a good society, but it will only happen if we do it together.

Justin Watson is UK senior programme manager at Oxfam GB
Public support for the welfare state has been hardening since the 1980s, with the language of “shirkers” and “strivers” in the last parliament adding to a sense of division between the “deserving” and “undeserving” poor.

Shifting these public attitudes is key to ending poverty in the UK. As Fabian Society research has pointed out, there is a strong correlation between public support for welfare spending and the size of welfare spending in subsequent public budgets.

To shift these attitudes, the left must develop a new narrative for tackling poverty. It must reject paternalism and unashamedly argue that tackling poverty is in our collective interest. These are the six principles that must sit at the heart of that new narrative:

1. Broaden what poverty means

Politicians must move away from what has been called “monetary transfer social justice”. If poverty is always about low income, then only very few will identify with the conversation. If poverty is about a lack of time with family, poorly performing schools, or the lack of a voice at work, then it speaks to everyone.

2. Re-universalise the welfare state

By describing the welfare state as a form of social insurance against the risks that all of us face in our lifetimes, the left can find a wider appeal and increase a sense of social solidarity. The value of this approach can be seen in the huge public support for the National Health Service versus public support for government spending on unemployment benefits.

3. Make the economic case

Politicians should grow more confident about making the economic case for tackling poverty. Inequality of opportunity doesn’t just limit the disadvantaged, but holds back the whole country. Even the IMF now argues that reducing inequality can boost growth.

4. Fairness is crucial

The principle of fairness must sit at the heart of the welfare state. As Beveridge wrote: “Benefit in return for contributions, rather than free allowances from the state, is what the people of Britain desire” – or, in other words, “something for something”. There is much greater public support for the principle of contribution than there is for means testing.

5. Get comfortable with aspiration

The left must learn once again to become comfortable with the idea of aspiration. It has to sound like it wants people to succeed and do better for their families, rather than focusing so intently on those who are worst off. It also must resist attacking the well-off, because most of the public like to believe that they might have money one day. Analysis of the last election has shown this was a decisive factor in Labour’s loss. Jon Cruddas’s independent review found that the “prospectors” group of voters, who are acquisitive and aspirational, swung the election by opting for the Conservatives.

6. Language matters

When trying to win support for tackling poverty, language matters. Inequality is the defining challenge of our age. But while talking about inequality describes a problem, it doesn’t generate enthusiasm for a solution. The same applies to the “cost-of-living crisis”, “the squeezed middle” and most of the soundbites generated by the Labour leadership team going into the last election.

To rebuild public support for the welfare state, the left must develop a new narrative that ties aspiration, solidarity and security together. It must ensure tackling poverty is a collective endeavour by emphasising the collective benefits. And it must sound optimistic for individuals and their families. Any plan to end poverty will at some point require people to vote for it.

Olivia Bailey is director of research at the Fabian Society.
Giving the poor control

What is a good society and what might it take to achieve it? To find the answer to this question, we've been listening to the views and experiences of more than 100 volunteers, activists and academics. It's called the Collaborative Conversations project, and what has emerged from it is a sense of anger and frustration at what people have seen and experienced, but also many thoughtful and creative ideas. By the time the project has come to an end, more than 500 people will have contributed their definition of a “good society”.

What has been apparent during these conversations is that a good society is about more than just tackling poverty. Money and resources matter, but they were givens. Instead, there was a rich and alternative counter-narrative of change, one demanding that anti-poverty measures be enhanced by a much more explicit return to human values of trust and kindness. A good society, therefore, should enable participatory decision-making, solidarity and a sense of community and mutuality, as well as addressing social exclusion.

We also heard examples of the ingenuity and imagination of many groups and individuals who, through creative writing and art, were expressing their ideas and values. The playwright Yasmin Kenyon, for instance, is a member of Rochdale Community Champions. Through a series of leadership workshops and by having access to university facilities, she and her colleagues have produced an anti-austerity play, Poverty Knocks, which sets today’s experiences against the backdrop of the 1930s. This creative challenge to social injustice, which evolved from the volunteers sharing a need to stand up and shout that poverty is not OK, has provided optimism, hope - and the power to challenge and make change happen.

Creativity can, of course, express itself in many ways. For example, Poverty Truth Commissions and Fairness Commissions are positive examples of creative cross-sector alliances. Poverty Truth Commissions work to the agenda of “nothing about us without us”. Those who have direct, lived experiences of poverty have the right to have their voice heard and are at the centre of the initiative. Meanwhile, Fairness Commissions, set up to tackle inequality and poverty at a local level, have looked for innovative ways to reduce poverty where they can. Achievements to date include exposing the activities of payday loan companies, boosting membership of credit unions and improving accessibility of advice services.

We are working with small community groups to help them identify assets other than money to which they have access and can use to deliver change. These can be social, such as informal links with other local groups, human (the skills and commitment of staff and volunteers should never be overlooked) and physical, such as buildings or digital resources. A small charity with scarce funds that works with the homeless, say, could give access to washing machines and showers via their network of volunteers. By challenging the conventional, and by celebrating creativity, spirit and vision rather than ignoring it, groups can identify innovative ideas for reducing poverty.

Poverty as powerlessness is a perception that persists. Narratives of resilience can of course be critiqued, but a response that is focused on mobilising the creative assets within community organisations can and does offer a form of resistance to poverty. Different models of power, based on ideas of participatory democracy, can be developed. Dr Katy Goldstraw is the principal researcher on the Good Society Project, supported by the Webb Memorial Trust, and Professor John Diamond is the director of the Institute for Public Policy at Edge Hill University.

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Giving the poor control

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Planning for the people

The planning system has lost its reputation for radicalism. What was originally created to improve people’s lives, solve the public-health crisis and provide much-needed housing for millions of people is nowadays seen to be the refuge of male, pale and stale policy wonks who lack imagination – more of a hindrance than a help to the promotion of social justice.

This reputation assessment is unfair to the emerging group of young planners who are committed to involving the communities for which they are responsible, and who increasingly advocate a more equitable distribution of wealth and opportunities. They recognise that to achieve this goal, people need to be embedded in the planning process and that the focus of outcomes needs to switch from the needs of housebuilders to those of the occupiers, thus creating access to a decent home in a decent environment.

It is impossible to create a truly just place without involving the people who know it best. A place without community support will lack community cohesion and forever be a source of tension. Although there is much justifiable cynicism about neighbourhood planning, there are now roughly 2,000 such plans under way in England – a figure unprecedented in scale. This is already making a difference; the plans created by communities include 10 per cent more housing than the existing Local Plan, for instance.

A desire to put people back at the heart of the planning system saw the Town and Country Planning Association recently develop a new manifesto. Called Planning4People, it aims to create socially just places that will provide a community that has access to the tools it needs to thrive. We want to see a statutory duty in planning legislation to promote equality, and as such the campaign has some hard-edged asks around planning law and national policy that will put social justice back as a key objective of the system. But the campaign is much broader than planning regulations. It is about creating an ethos that we can all agree on about the type of places we want to create. Above all, that ethos is framed by social justice and by the drive for a good society free from poverty.

Most importantly, this manifesto is about reaching people in a different way. Though there is a huge amount of desire for involvement out there, the established channels have failed to reach and engage with new audiences. Digital and social media should therefore feature prominently in communications output. As the method for engagement changes, new groups of professionals within the planning system are emerging to share new ideas and ways of working. The Urbanistas group of women in planning and the built environment is now a worldwide phenomenon as women become more visible at all levels and seek to find better ways of doing things. Planning in the Pub, meanwhile, is providing a space for anyone in the profession to let off steam and learn from a diverse range of planners.

All of these groups have supported our manifesto to put people back at the heart of planning. These signatories and others reflect a broad recognition that planning is a foundation of prosperous and inclusive society and that disorganisation keeps us poor. The kinds of inequalities we see in England between people and places can be challenged. We are not a poor nation, but we are badly organised. Planning can be, and should be, about creating inspiring places that improve people’s lives, and help to deliver the social justice that everyone is striving for, but struggling to make real.

Claire Porter is the head of external affairs and Hugh Ellis the interim chief executive at the Town and Country Planning Association.
Today’s generation of young people – millennials, those born between the early 1980s and late 1990s – are pretty unlucky. Coming of age in an era marked by neoliberal policy reforms, growing inequality and two recessions, they are often ill-advised about, and unfairly burdened with, the social changes that have happened around them. Old adages such as “invest in your education for a better future”, and “work hard and you’ll do well” have seen them blamed for their own predicament while tuition fees and zero-hours contracts continue to rise. Young people now earn less, and have less wealth, than the previous generation. Disposable household income for households aged 25 to 29 has stagnated, decreasing 2 per cent below average growth rates between 1979 and 2010. While pensions are being triple-locked...
A good society free from poverty

for today’s old-age pensioners, who benefited from free tuition and cheap or subsidised housing, current policy choices mean today’s young people are facing growing tuition debt and a future of being excluded from the housing market. Things are bad, and are systematically being made worse, for the new “youth precariat”.

All too often, young people are described as entitled, narcissistic and selfish for pointing out these inequalities. Psychologists such as Jean Twenge and researchers including Sara Konrath have scientifically “proved” this, while social media amplifies the idea.

But how do young people themselves understand this? Have they internalised this middle-aged, neoliberal discourse of “self-making”, seeing themselves as largely responsible for their own predicament, or do they see this as a “youth shaming” attribution error?

I spoke to young people from low-income communities around England to find out. What I found was a very nuanced understanding of the role of both themselves as social agents, and of governments and society in creating the predicaments in which this generation finds itself.

Presumably much to the delight of Baby Boomer decision-makers in parliament, they saw themselves as deeply agentic people, who were able to make the “right” decisions to improve their finances when they needed to. When I spoke to one young woman about the hand she and her peers had been dealt in life, she told me “the odds are harder, but you still chose them”. No one should “wallow in self-pity”, as another put it, but do everything within your power to improve your lot.

Far from the accusations of laziness and apathy, these young people were hugely ambitious, and optimistic about their own capacities. However, they were also aware of the limits of their agency, and that if lives were left to individual “chances”, some people would always be poor – unless the government direction changed.

Though it should come as no surprise to anyone that young people are capable of understanding structure and agency, what is perhaps less obvious is the multitude of ways in which they are actively trying to improve their chances.

First, younger generations appear en masse to be taking the individual gamble of investing in their education: they are the most educated generation yet, despite their personal debt. Collectively, we may want to think about what policy choices we can make to reduce the burden of risk they are taking on alone. Cancelling excessive education debt seems a good place to start.

Second, young people are taking new forms of collective action that few Boomers recognise as legitimate. From rioting to occupying and hacking, younger generations are organising in a range of new political forms that sit outside the two-party political regime. All of these are described as aimless, hopeless or destructive by older folk who miss the point, that younger generations will continue to face a worsening situation as long as older generations refuse to acknowledge and engage with the political reality they are reshaping.

Other groups of young people are actively organising to reduce poverty in more conventional ways. Look no further than the group of youngsters in the north-east who are running a campaign to end the holiday hunger their peers experience, even though welfare reforms enacted by older politicians are making their task harder.

The changes young people themselves are leading on with the aim of improving their lot speak to the belief they have in their role in ending youthful poverty and intergenerational inequality. These actions need to be understood and acknowledged, rather than undermined or challenged. It’s time we started listening to and working with these people.

Rys Farthing is a social policy analyst who specialises in youth and poverty.
Why addressing poverty is good for business

In order to make progress in eradicating poverty, both businesses and society need to act together. However, when discussing ways to do this, we often see a lack of understanding on the part of businesses about the role they can play. Why is this?

Poverty is everyone’s problem. Institutions, individuals, government, charities – even the private sector – all have a role to play in creating a society where we all have the opportunity to thrive.

When discussion turns towards the contribution business can make towards alleviating poverty, more often than not the conversation falters or stops. Business leaders argue that this is not an issue that is critical to their corporate objectives, that it is the responsibility of government or charities, and that any poverty reduction measures would be subject to high costs and further red tape to negotiate. Even if a company is willing to take action, usually this takes the form of a donation to charity.

As John Mills, the economist and founder of the consumer goods company JML, stated at a round table we held to discuss the role of business in reducing poverty: “Most businesses see themselves only to a fairly limited extent as having a role in this issue. Especially around pay, most businesses do not see it as their role to pay more than the market expects people to pay.”

But what if a focus on poverty reduction made a business more competitive? What if we could shift the conversation away from businesses addressing poverty because it is a “worthy” thing to do, and talk instead about the commercial advantages it might entail?

There is a strong economic case for business to tackle poverty in the UK. Research has shown how poverty, and its associated physical, mental and emotional effects, contribute to reduced productivity and loss of income for businesses. A study by Barclays Wealth and YouGov found that one in ten people employed in the UK is struggling to make ends meet and using expensive forms of borrowing. Some 20 per cent of respondents felt that their financial troubles affected their productivity at work.

Corporates can be successful and a powerful force for good

Instead of pitting corporates and society against each other, it’s time we focused on ways to help the two work together more effectively, says Tom Collinge.

Poverty is everyone’s problem. Institutions, individuals, government, charities – even the private sector – all have a role to play in creating a society where we all have the opportunity to thrive.

When discussion turns towards the contribution business can make towards alleviating poverty, more often than not the conversation falters or stops. Business leaders argue that this is not an issue that is critical to their corporate objectives, that it is the responsibility of government or charities, and that any poverty reduction measures would be subject to high costs and further red tape to negotiate. Even if a company is willing to take action, usually this takes the form of a donation to charity.

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work. Overall, the study found that financial stress hurts bottom lines by about 4 per cent a year. Elsewhere, a report by the University of Cambridge found that sickness caused by stress, anxiety or depression cost the UK economy roughly £23.8bn in 2010.

In these straitened times, few sensible businesses are actively looking to increase their costs. Yet evidence from the Living Wage Foundation suggests that paying the Living Wage enhances the quality of staff, improves recruitment and retention and reduces absenteeism. Coupled with increased productivity, this adds up to a considerable return on investment.

Of course, the response from business to employee hardship doesn’t have to involve only higher pay. Alternative strategies focus on employers providing financial and debt advice and counselling, aimed at helping their workers to manage their resources more effectively. These lower-cost interventions can help people greatly – one in five of the workers surveyed by Barclays, for instance, felt they would benefit from such services.

Other options are to offer flexible working that enables staff to fit in work around caring responsibilities or cheaper travel to provide childcare vouchers, or “rainy day” savings schemes. There are also advantages to businesses taking steps to tackle poverty beyond their own front door and within the wider community. Attitudes towards the role of business within society are shifting, and increasing numbers of people – particularly millennials – have high expectations that a business will do good as well as make money.

From food to fashion, the political and moral viewpoints of many modern consumers have a direct influence on their buying decisions, together with price and quality. Ethical consumerism is growing as a market, worth £32.2bn and up by 9 per cent between 2012 and 2013, according to the Ethical Consumer Markets Report from the Co-operative Group. The report found that roughly 20 per cent of the UK population boycotts specific products or outlets, for a variety of reasons, including perceptions around labour standards and tax avoidance.

Again, the response to this does not need to be expensive, just creative. A bank could provide free financial advice to people on low income; a clothes shop might offer a discounted suit for someone who can prove he has a job interview; or a food retailer could work with local businesses to offer discount vouchers for their staff.

So how can we change the narrative around the role of business in helping to create a good society that is free from poverty? How can we ensure that the private sector both understands and is willing to play its part in this journey? We need a new conversation – one that focuses on measures that improve productivity and employee well-being, rather than one that puts taxes at the centre – as so many discussions now do.

One that recognises that “business” is not just one homogeneous group, but an eclectic mix of micro, small, medium-sized and large companies, all with specific needs and challenges. And one that keeps it simple, our recent report on this topic for the Webb Memorial Trust published views from business leaders of all types who argued that societal challenges shouldn’t be seen as insurmountable, and that the solutions should be both easy to understand and cost-effective to implement. And it is important, they emphasised, to avoid red tape.

Critically, they said, business should be celebrated not denigrated. The private sector helps shape society and improve people’s lives – not least through job creation, training and professional development opportunities, and distribution of wealth. The potential it offers towards creating a good society is therefore significant, and we should stress achievements in this area. Overall, we need to highlight that, by working together with other societal actors, business can be both financially successful and a powerful force for good. Tom Collinge is a policy and social affairs writer at Slack Communications.

Corporate role models

There are businesses, large and small, that have already acknowledged the good that can be achieved by supporting employees’ financial well-being. Among the many initiatives to be celebrated are:

- **FINANCIAL TRAINING:** Scott Bader is a multinational chemical company that employs over 650 people worldwide, including more than 200 in the UK. It is worth over £85m. Since 2012, the company has run a financial education programme that helps employees better manage their personal finances. The programme has been very successful, particularly around planning for retirement, and membership of the company’s pension plan is now running at twice the industry average.

- **SAVING FOR HOUSE-BUYING:** The 150 people employed by the London recruitment consultancy Goodman Masson have access to a “Benefits Boutique”, designed to help them with major financial obstacles they face in life, such as buying a house. One of the opportunities on offer is the option of depositing 20 per cent of your basic salary and all of your bonus into a savings scheme. At the end of three years the company tops up the general savings by 50 per cent and the bonus savings by a third. When the employee buys a home, the money is transferred to the solicitor involved in the purchase. In addition to the obvious benefits for employees, it also helps Goodman Masson retain staff, the company says.
What will you do to create a good society?

In association with

Webb Memorial Trust

If you want a good society without poverty, you are one of the people responsible for making it happen.

A good society without poverty is one which affords us a decent standard of living and which allows us to flourish. It’s very easy to talk about what needs to happen to create this new world, and what we want to see others doing. But what about the role we can play ourselves?

We want to create an alliance of people and organisations that are willing to undertake specific actions that will help create a good society. We would like everyone who signs this pledge to commit to...

1. Thinking and doing BIG
We have ambition. No matter how unrealistic it may seem at the beginning, we want to focus on achieving big change.

2. Introducing a new narrative
The current conversation is failing to achieve cut-through. We need to foster a new narrative about poverty that will command wide public attention and support.

3. Creating a bigger, broader, more connected alliance
Building a broader constituency will avoid waste and duplication; accelerate momentum and help create a shared and collective voice.

4. Connecting ideas to action
All talk and no action makes poverty hard to resolve. We want practical, achievable, evidence-based steps that are based on past experiences and keep an eye on the future.

5. Using skills to maximum effect
From networks that can help grow the alliance, to research and analytical skills, to the ability to influence government and other communities, there is a role for everyone to play.

6. Supporting others so they too can play a role
It is important that everyone – no matter what their background – is given the tools and the space (both real and virtual) that they need to take action and make change happen.

7. Doing all of the above in a way that is creative and fun
The creation of a good society has to be rooted in real lives. We need creative, fun, accessible ways to participate that are open to everyone, not just those with money, influence and academic knowledge.

If you want a good society without poverty, you are one of the people responsible for making it happen.

What contribution will you make? Have we identified the right actions for signatories to the pledge to take? Is there more that we can do? We would love to hear from you. Contact Georgia Smith at georgia@webmemorialtrust.org.uk for more information on how to get involved.