

# Poverty, Places and Equality

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# What do we mean?

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- Poverty, lack of adequate resources to participate in social norms
- Inequality: income inequality, the distance from the poorest to the richest
- Disadvantage: features that limit equality of opportunity, including poverty and inequality, but not exclusively

# Why poverty matters

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Poverty influences virtually all life outcomes:

- Health
- Education
- Risk of being a victim of crime, risk of becoming a criminal

**Social justice**

# Complex causes



# Poverty in Scotland

After housing costs poverty rates and poverty line income

Overall rate	18%
Working age adults	19%
Children	22%
Pensioners	12%

Couple no children	£12,700
Couple , 2 Children	£20,500
Single parent 2 children	£15,200
Single	£7,300

# Employment not as helpful as we thought it would be

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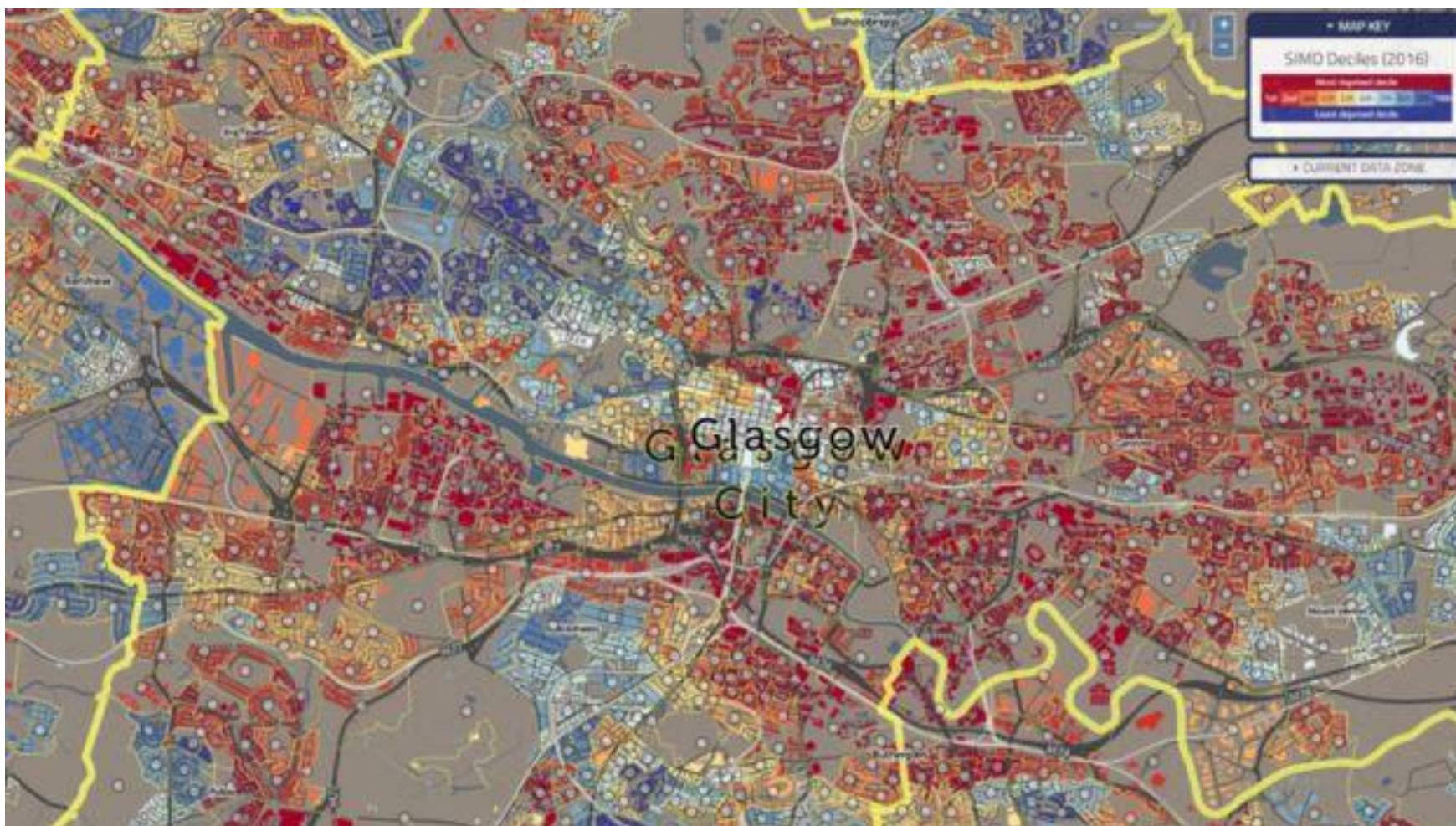
- After housing costs, nearly 2/3 of working age adults in poverty live in working households
- More than 2/3 of children in poverty live in a household where at least one adult is working; poverty more severe in families with 3 or more children, and families with younger children
- High risk of poverty (AHC) among those in private rented sector.

# Why place matters

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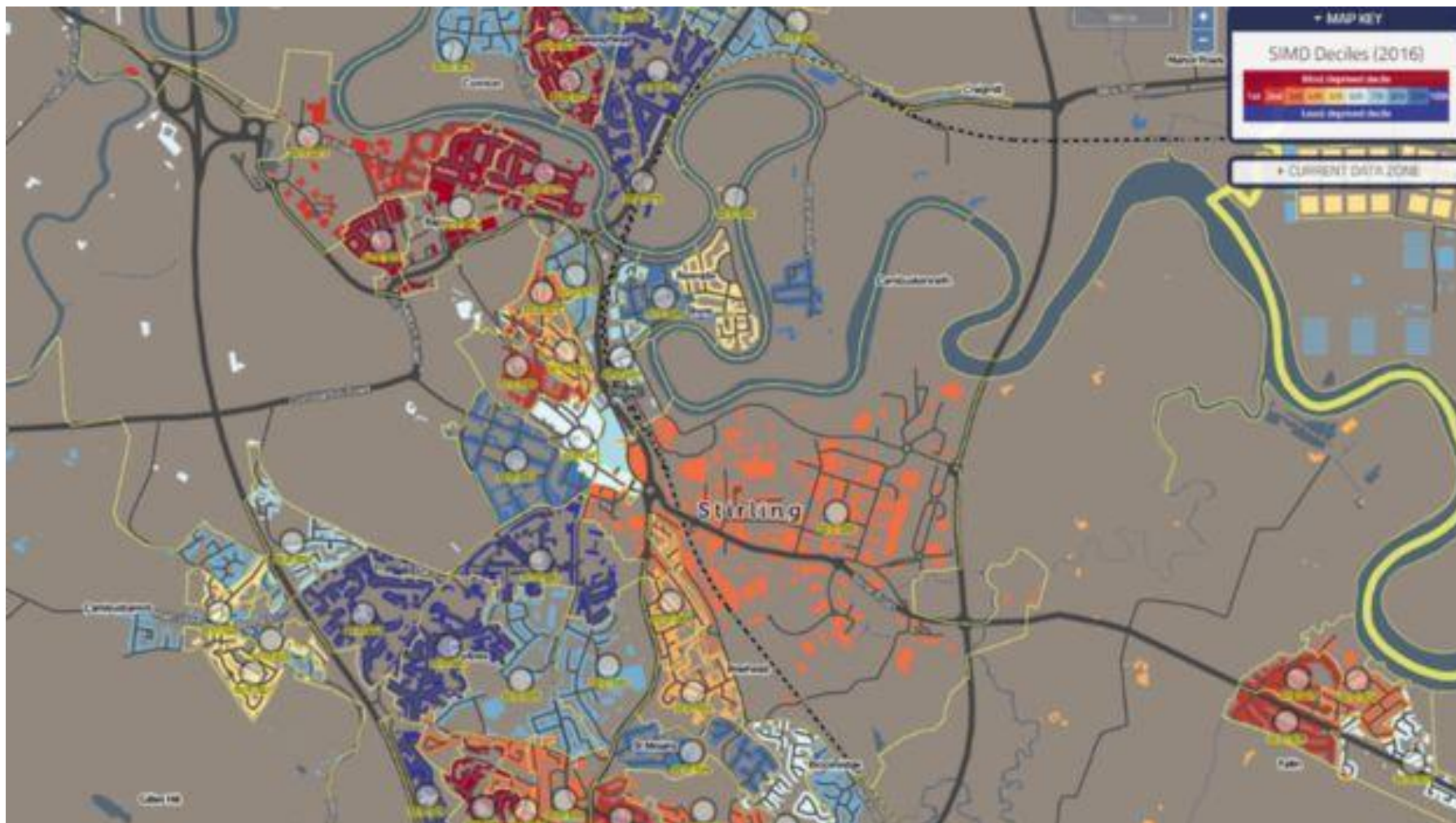
- Poverty concentrated in neighbourhoods even in relatively well off areas
- Dispersed poverty in rural areas more difficult to deal with
- Areas of poor housing are also relatively poor in opportunities
  - Poor job prospects
  - Poor public transport
  - Lower attainment in schools
- Large differences in life expectancy between poor and wealthy wards in same LA (Milton Keynes: 9 years difference, Camden 11 years difference)

Glasgow has 56 of the 100 most deprived areas in Scotland, but poor areas in all other cities (Edinburgh has 4 of the most deprived areas)





# Even Sterling



# Nothing New

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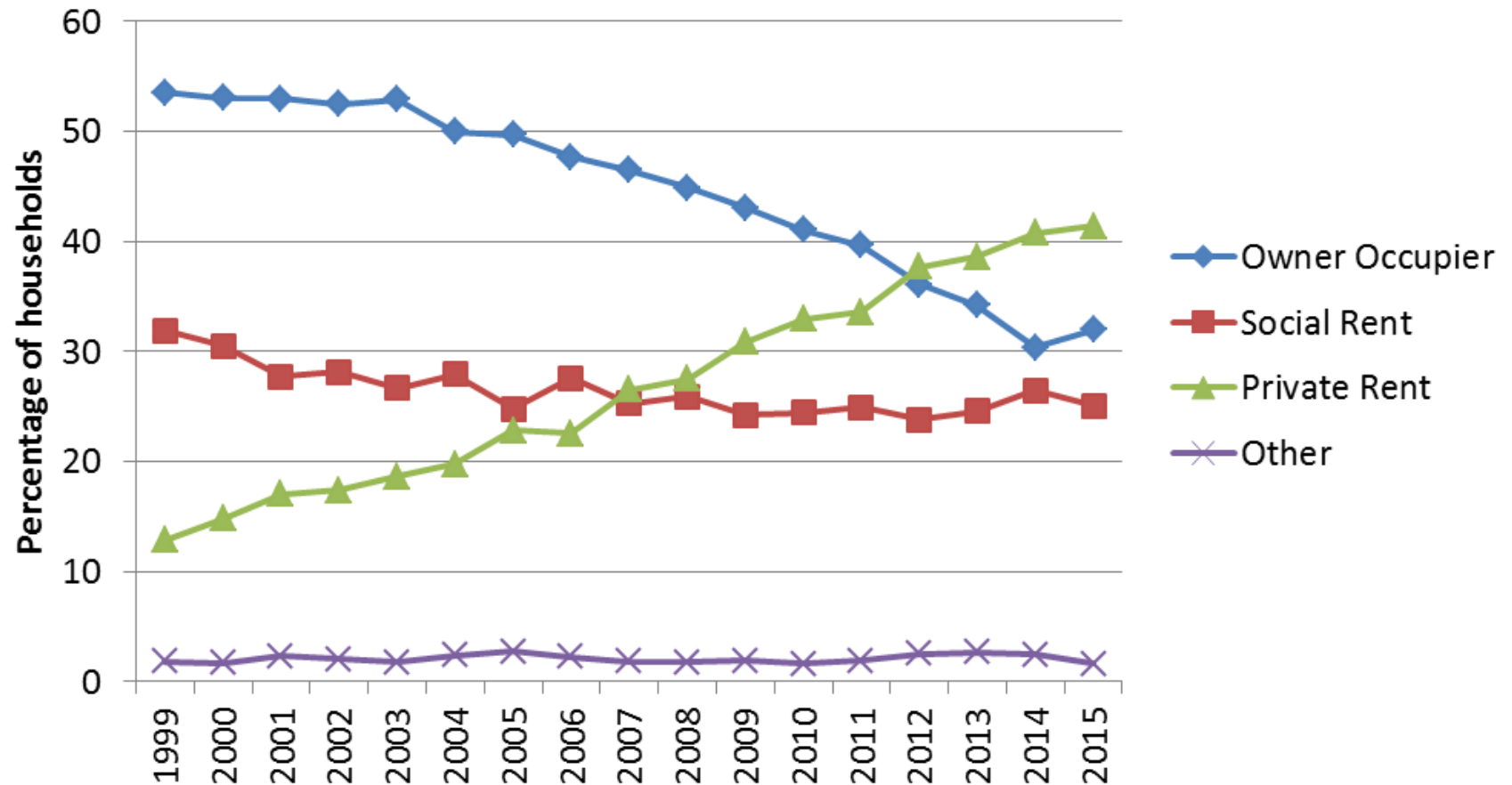
- Lyndon Johnson's war on Poverty
  - Office of Economic Opportunity
  - Head Start
- Area based initiatives under Blair/Brown
  - New Deal for Communities
  - Education Action Zones
  - Health Action Zones
  - Sure Start
- Shared principles
  - Clear catchment area based on poverty indicators
  - Attempt to 'join up' key services
  - Emphasis on local community participation
  - Capital and revenue investment
- Shared failure: high quality job creation did not follow investment

# Regeneration: Gentrification?

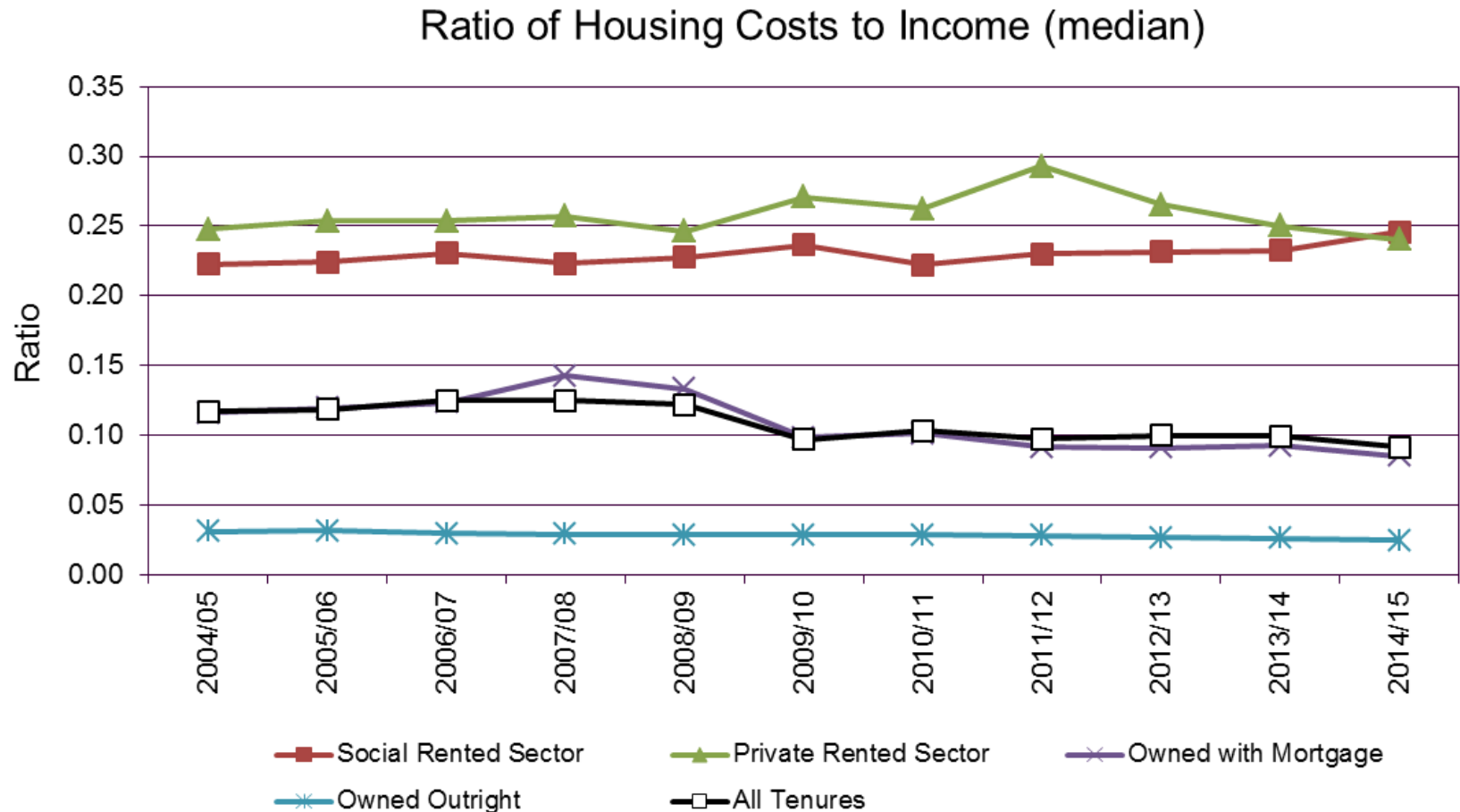
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- Market driven improvements in housing stock usually leads to gentrification
- Lack of affordable housing particularly hard on young people: wages too low to save for a deposit, PRS rents higher than mortgage payments
- National 'living wage' not until 25
- Long term impact on social mobility; failure to accumulate capital to pass on

# Households with a highest income earner between 16-34 years by tenure



# Ratio of Housing Costs to Income (median) by tenure



Source: Family Resources Survey

# The built environment matters

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- History of design on crime prevention
- Design can also promote or detract from social cohesion
- Physical surroundings and their maintenance contributes to sense of well-being, physical and mental health
- Affordable transport critical for employment

# Is Inclusive Growth the answer?

## 5 key principles

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- Creating a shared mission
- Measuring the human experience of growth, not just its rate
- Seeing growth as the whole social system, not just the hardware
- Being an agile investor at scale
- Entrepreneurial whole-place leadership

# Everybody at every level has a role to play

<b>Government</b>	<b>Business</b>	<b>Civil Society</b>
<ul style="list-style-type: none"><li>• Investment in infrastructure</li><li>• Fair tax and benefits</li><li>• Education that works for all learners</li><li>• Measurement of social as well as economic returns on investment</li><li>• Role as employer (NHS and local govt)</li></ul>	<ul style="list-style-type: none"><li>• Real living wage,</li><li>• Job design</li><li>• Collaboration with schools on skill demands</li><li>• Flexible work opportunities</li></ul>	<ul style="list-style-type: none"><li>• Getting voices heard (Poverty and Truth commission)</li><li>• Piloting new solutions</li><li>• Disseminating what doesn't work as well as what does</li><li>• Holding Government and Business to account</li></ul>



# Persistent conundrum: what level of power?

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- No matter what level, all blame the next level up
- Electoral cycles demand quick wins; quick wins demand control
- Devolution of power demands tolerance of difference (post code lottery)
- Rebuilding local government in the UK a long term project; current efforts at city regions are piecemeal deals

# Why bother?

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Economic and social goals do not have to be in tension: poverty generates high costs:

- costs of life long poor health
- Poor educational attainment and skills shortages
- Demographics demand a more productive workforce for a growing dependent older population: it matters to us all