

London District Synod, 10th September 2011

LEADERS FOR CHANGING TIMES

Poverty, Inequality and economics in the context of the riots Paul Morrison

Is this a time of moral decay? Was a mass outbreak of immorality the cause of the riots? The evidence for moral decline should appear gradually and not just over a fortnight in the Summer. That is obviously hard to measure, but as an example crime has decreased for the last 25 years. There are more people in prison because they are being sent there for lesser offences and for a longer period.

I think a more credible partial explanation may come from understanding of disadvantaged communities relationship with the rest of society. Understanding what the people, especially the young people, in these communities aspire to and what they can realistically expect from life. The cuts and the rising levels of poverty and inequality are impacting on many people's hopes for the future.

Inequality in the UK is at historic levels – as are its effects

The levels of inequality in Society are reaching Victorian levels. This has real effects in terms of the relationships and common understanding that now exists within society. London as the region of the country displaying the greatest inequality has even more reason for concern.

For example: Compare the situation of the richest 10% of the country and the poorest 10%:

Richest 10%

Own 90% of all private wealth

Get 40% of all income

Pay 32% of income their declared in tax

Poorest 10%

Own less than 1% of all private wealth

Get less than 1% of all income

Pay 48% of their declared income in tax

It is easy to compare the UK to other parts of the world and that our poverty doesn't matter. But Poverty **does** have real effects here.

Health and life expectancy are good examples of real life effects:

In the last 15 years the life expectancy of the richest 10% has increased by 38 months, whereas for the poorest 10% it has only increased by 1 month. The cost, in life expectancy of being in the poorest 10%, is now at an all time high.

The richest tenth will on average live 14 years longer than the poorest 10th. They will also have 7 years longer "in good health". That means the difference is 21 years of life in good health from richest to poorest.

Many other well being statistics show the same trend.

A key point in understanding people aspirations is that Poverty is hereditary – more so than at any time since the Second World War. There are many reasons for this. One easy to understand cause is the difference in education spending. The richest 7% of pupils receive 27% of all the money spent on education; they then obtain 27% of all the A levels and 50% of the entries into top Universities.

I love statistics but two stories might illustrate the problems associated with inequality:

Marcel-Thekaekar worked with the Adivasi people in the Indian state of Tamil Nadu. The Adivasi are an oppressed and impoverished minority in a country where poverty is all too common. Marcel-Thekaekar was invited to Easterhouse in Glasgow to see poverty there and write her reflections between the two very different communities. She was shocked wrote “Emotionally and mentally they were far worse off than the poor where we worked in India, even though the physical trappings of poverty were less stark”. The people encountered knew that they were at the bottom of society, and knew that they were worthless.

A very different story:

Martin Turner, the Superintendent minister of Methodist Central Hall, Westminster, wrote to the Methodist Recorder about the level of stipend for ministers. He was asking that the stipend not be allowed to fall again. In the letter he spoke of when he began ministry and the pain of his children being excluded from school trips because they could not be afforded.

Poverty is about being excluded from what everyone else has. It is often not about the trappings of wealth or poverty but the ability to partake in what society has to offer as an equal.

Poverty in the UK is entrenched and lasting. For Families it is both sticky and hereditary.

From the Second World War until 1970 when income rose they were shared. On average all groups in society saw their standard of living increase by 20% a decade. From 1980 all of that stopped. The top parts of society continued to grow at the same rate but the poorer groups gradually fell behind. This led to an inequality that is now more rigid and entrenched than any other OECD nation other than the US.

Protections to set a floor on people’s incomes such as the minimum wage are welcome but sadly this is not enough to live on. People’s life chances are not enhanced over a life on benefits if they work at minimum wage. Perhaps more importantly neither are their children’s.

These are some of the reasons the Methodist Church has committed to paying all employees the Living Wage. Enough to live on and have time left for family life.

The good news for the bottom 10% is that your intelligence is just as good as everyone else’s. The Good News is that there is nothing defective in you such that you deserve poverty. The Good News is that you are created in God’s image with as much potential as everyone else.

The bad news is that your future income is predicated on your parents income as at no other time since the second world war

What can we as a Church do?

We have a moral responsibility to create a society in which people have opportunities. Where the hard working can realistically expect a life free from poverty. Where the Church can say “There is Hope” and that be both a spiritual and temporal hope.

At times such as these leadership is vitally important. What can we do:

1. It is essential that we challenge the language of “Feral underclass” and other such phrases. All people deserve to be treated with loving respect and to be valued as God values them.
2. Protest about the Housing benefit changes and monitor their impact. Once the changes are implemented housing benefit will be restricted to a maximum of £400 per week for a 4 bedroom house and there will be a cap of £500 per week on all benefits. It is anticipated that a quarter of the population of London will have to move house in the next 5 years. For the first time with localisation councillors have responsibility for this so it will be important to get alongside local politicians and share the impacts of the cuts.
3. It is essential that we do not allow the impact of cuts to go unnoticed. The bottom 15 -20% of societies earners doesn't vote much, doesn't engage with the apparatus of the state much, and aren't seen very much. If we want to provide Hope we need to ensure that when they are suffering they are not portrayed as deserving of their fate or worse – ignored completely.

A final thought

In Glasgow a poverty and truth commission was held which enabled some of the poorest people to speak to some of the richest and most influential and to tell their stories of how decisions were impacting on their lives

The simple and profound statement which came out of this was “Nothing For Us Without Us”. The communities had been the recipients of changing government policies some blaming them for poverty others offering cash to give a hand up. They shared the trait that no-one talked to them before they did it.

For interventions in communities to work they have to be drawn up in partnership with the community. We should offer that platform, – and be prepared to hear and disseminate solutions we might not have thought of ourselves, or even like.

Footnotes from the Chair

Don't forget about the money that DAF has set aside to give small grants to churches who are responding to the riots. At least one church has applied for a grant towards the costs of an event to enable the community to meet and to listen to one another.

The Methodist Church's commitment to pay the living wage means that no one who works for the Methodist Church or its projects in London should be paid less than £8.30 per hour.