







Telling the truth about poverty: Response to Centre for Social Justice.

In March 2013 the Baptist Union of Great Britain, the Church of Scotland, the Methodist Church and the United Reformed Church published The lies we tell ourselves: ending comfortable myths about poverty which highlighted the misuse of statistics to support myths about poverty. The Centre for Social Justice recently published a response, Setting the record straight. Here we respond to the points they make.

1.0 General Remarks

We thank the Centre for Social Justice (CSJ) for its response to the report, *The lies we tell ourselves*, from the Baptist Union of Great Britain, the Methodist Church, the Church of Scotland and the United Reformed Church. We are aware of the Centre's history and the regard with which it is held by many policymakers so welcome this engagement with our report.

The lies we tell ourselves was driven by a simple belief that if people are misrepresented their chances of receiving just treatment are diminished. We believe truth is a prerequisite of justice and that, whatever political objectives are being sought, the minimum people deserve is to be truthfully represented – a basic dignity that we demonstrate the poorest, especially those claiming benefits, are often denied.

While the CSJ response is welcome we are disappointed that it does not comment on the issue of the misrepresentation and stigmatisation of the poorest which is substance of our report.

The case we put forward is that the general public believes things about the poorest in our society which are simply untrue, and that this misunderstanding has been fuelled by repeated misrepresentations of those in poverty by press and politicians. The CSJ response does not address this increasingly important issue.

The CSJ response picks up on various details, which we are happy to clarify below, but expresses no view on veracity of any of the individual untruths. The response also makes no reference to the appalling misuse of data to paint 120,000 families as feckless and expensive members of the "shameless culture", when the evidence was strongly to the contrary. Again the CSJ's views on this would be most welcome. We wish to end the casual misrepresentation which poisons the current political debate on poverty and social security and would welcome the CSJ's support in that aim.

The aim of *The lies we tell ourselves* is to open a constructive and respectful debate and we have tried to respond in that spirit.

Note on Methodology: The CSJ suggests that by employing the common practice of using case studies alongside detailed statistical evidence the report is being inconsistent in its methodology. This is a standard method used to make more accessible an area that can quickly become dry and disconnected from reality – the CSJ report *Breakthrough Britain* uses the same method for the same reason.

We are surprised by this strange accusation of inconsistency but can assure the CSJ that while we feel the case studies are integral to a report <u>no part of the central argument relies on an anecdote or a case study for its evidence base.</u> We are happy to clarify any point the CSJ believes to be evidenced solely by anecdote.

1.1 The scale and definition of "welfare dependency".

The issue of welfare dependency is probably the most significant area of disagreement between the *The lies we tell ourselves* and the CSJ. By better understanding what the CSJ means when it talks about "dependency" we may gain some clarity and possibly some common ground.

Arguing that welfare dependency is important the CSJ response states:

"The report [The lies we tell ourselves] disputes the idea of 'dependency' as a serious issue. This is despite the latest available data showing that more than 20 million families are now dependent on some kind of benefit (64 per cent of all families), about 8.7 million of whom are pensioners. For 9.6 million families, benefits make up more than half of their entire income. This equates to 30 percent of all families. To argue that dependency is not alive and well in the UK today is therefore totally at odds with the facts."

(Data referenced: The Observer, 'Benefits in Britain' 6 April 2013)

The logic of the argument used above by the CSJ is that the definition of "welfare dependency" includes anyone – including pensioners – who rely on benefit payments for all or part of their income. In this context "welfare dependent" is becomes a misleading and pejorative term for "welfare claimant".

The CSJ's <u>recent publication</u> "an enquiry into welfare dependency in Britain" also contains no definition of the term dependency. Disappointingly it appears on initial reading that in this document the CSJ uses the term dependency as a synonym for claiming benefits.

We would not deny that many people claim benefits and rely on them to make ends meet. However using the term "welfare dependent" to describe all such families is neither respectful nor informative.

The term "dependency" is more often understood to apply to those who become progressively disempowered by receiving benefits. Someone who is "welfare dependent" is thought to have become so habituated to receiving support from the benefits system that, even when fit to seek work, they don't do so effectively. It would be breaking new and worrying ground for the CSJ to describe pensioners as being "welfare dependent".

While this is a phenomenon backed by a body of evidence, it cannot possibly apply to the 20 million the CSJ refers to. The old, the sick, the disabled, those who do the important full-time unpaid work of caring for young children and the disabled and those who are seeking work but are unable to find a job cannot be included in this category.

The term "dependency" has the potential to stigmatise and demean. To use it responsibly care must be taken to define what is meant and to discriminate between those who are in receipt of benefits and those who are dependent on benefits. In the

United States, where the term has a long and ignoble history, government estimates of dependency are typically a quarter of the recipiency rates¹.

We are left wondering what the CSJ means when it talks about dependency. Is it anyone who is receipt of benefits (as suggested by the numbers above) or does it refer a phenomenon where welfare creates dependency in some recipients (in which case the numbers given are unhelpful and misleading).

- The CSJ uses the term dependency a great deal. It is widely acknowledged that when used carelessly the term can be misleading and stigmatising.
 Does the CSJ discriminate between welfare receipt and welfare dependency and if so how?
- It would be extremely helpful if the CSJ could outline the definition of "welfare dependency" it uses.

¹ http://aspe.hhs.gov/hsp/indicators08/ch1.shtml Dept. Health and Human Services indicators 1993-2008. These figures use a measurement method that is unavoidably inaccurate as it assumes the only reason for long term receipt of benefits is dependency rather than other possibilities such as lack of opportunity or long term illness.

1.2 "Three generations that have never worked"

The lies we tell ourselves challenges the commonly used phrase "three generations that have never worked". The existence of such families where members across three generations have never been in work has never been supported by verifiable evidence and, despite strenuous efforts, no survey has yet been able to find such a family.

This phrase has been used by many people across the political spectrum for example in 2009, Iain Duncan Smith MP said to a CSJ event "Life expectancy on some estates, where often three generations of the same family have never worked, is lower than the Gaza Strip"².

The veracity of the statement is important as senior politicians and civil servants have used variations of this particular phrase for over a decade to construct the case for concepts of "a culture of worklessness" and "welfare dependency". If the phrase is baseless it undermines these arguments as well as puts into question the motivations of those who choose to repeat it.

Disappointingly the CSJ response chooses to dodge the question and instead seriously misrepresents our report when it says:

"On intergenerational worklessness, the report argues that there is 'no credible evidence that such families actually exist'."

That is not what was argued nor is it a reasonable interpretation of what was written.

The text in our report makes clear that there is no credible evidence for the specific claim that there are "many families where three generations which have never worked". There is indeed much evidence for disadvantage being passed through generations which we refer to in the report and are happy to acknowledge and explore.

There is a considerable body of quantitative and qualitative evidence as to why the phrase "three generations of families that have never worked" should be consigned to the dustbin of political rhetoric.

The excellent and authoritative Joseph Rowntree Foundation (JRF)³ research is set out in some detail in an Observer⁴ article which is cited in another part of the CSJ response. The JRF's report, alongside other evidence, is referenced in *The lies we tell*

² Transcript originally accessed from CSJ website but has subsequently been removed. http://www.centreforsocialjustice.org.uk/default.asp?pageRef=361 [accessed 08/12 now removed] quote available http://fullfact.org/articles/are there thousands of never worked families-27515 http://www.irf.org.uk/publications/cultures-of-worklessness

⁴ http://www.guardian.co.uk/politics/2013/apr/06/welfare-britain-facts-myths

ourselves. Unfortunately the CSJ has chosen not address this evidence – <u>to continue</u> <u>defending the statement with any credibility it must do so.</u>

The JRF research also explores the conundrum that those who work in extremely deprived areas often say, in good faith, that there are families where three generations have never worked, while at the same time researchers have been unable to find even a single example of such a family. The researchers spent time with these workers interviewing them and their clients and were still unable to identify a single family "where three generations had never worked". The reasons are explained in detail in JRF's report.

The CSJ response appears to rest its defence of the idea of "three generations of worklessness" on quotations from such workers. This suggests a two-fold disregard for the best evidence available.

Close inspection of the quotations used in the CSJ response shows they do not speak specifically to "three generations that have never worked" but point to the broader question of families inheriting disadvantage.

The argument that children from families affected by long-term unemployment or disability are disadvantaged in later life is uncontroversial. That such children are more likely to spend time out of work than their peers is also uncontroversial. Should this be the CSJ's position we would be in strong agreement. It is not a headline grabbing statement but has the virtue of being grounded in strong evidence and respectful to the families concerned.

The CSJ response and a subsequent CSJ publications appear neither to defend the idea that there are significant numbers of families where "three generations have never worked" nor acknowledge that there are not. It is unfortunate that instead of addressing the question the CSJ response misrepresents the Churches' position and proceeds to attack this straw-man.

We are interested in the CSJ's views and evidence on the specific concern that the commonly used phrase "three generations that have never worked" is no longer credible.

- We would be grateful if the CSJ revised its response to represent our position on intergenerational worklessness correctly.
- It would also be helpful to confirm if the CSJ believes that the statement that "three generations that have never worked" is no longer credible.

1.3 Falling numbers of workless people from the mid-1990s until the banking crisis

The CSJ and the Churches appear to agree on the major point that there was a large drop in the number of people who were workless from its mid 1990s peak of around 6 million people to around 4.5 million at the beginning of the banking crisis. *The lies we tell ourselves* questions why, during this decline in worklessness, a number of groups began to develop ideas of an increasing "culture of worklessness" and welfare dependency. The CSJ response sheds no light on this paradox.

Instead the CSJ makes much of a detailed point, that what or report calls a "steady decrease" in the numbers of people on out work benefits because of illness or disability was in the view of the CSJ "relatively constant" (but lower in number by the end of the time period in question). However the CSJ illustrates this with an incomplete graph (Fig 1) which only includes Incapacity Benefit (and its temporary replacement, Employment Support Allowance). The graph should also contain other legacy sickness and incapacity benefits which tailed off during that time period such as Severe Disability Allowance and parts of the Income Support caseload.

The decline in the numbers on sickness benefit was much slower than the decline in short or long-term unemployment, however the effect of the CSJ's oversight when constructing their graph appears to be to change a steady decline into what the CSJ describes as a "relatively constant" decline.

We would be happy to explore these data with the CSJ to find a common interpretation. The document "Long-term unemployment in 2012" by the Centre for Economic and Social Inclusion (CESI) provides and excellent summary of this information. Figure 2.1 of the CESI report provides a really useful single glance visual summary of the complex underlying trends⁵.

- We would be happy to understand how the ideas of a growing "culture of worklessness" and "welfare dependency", prior to the banking crisis are compatible with our common understanding of the decline in worklessness.
- We would be happy to see any data or research CSJ might have which would improve our understanding of the decline in out-of-work benefit claimants over that time.

⁵ http://www.cesi.org.uk/sites/default/files/publications/Long-term%20unemployment%202012.pdf

2.1: Addiction as a measure of child-poverty

The Churches are united in their concern about the personal and societal problems associated with addiction. For example the Methodist Church has been at the forefront of campaigning against the harm caused by alcohol for well over a century. We would never minimise these impacts.

The Churches are also united in their view that using addiction as a measure of poverty is unhelpful and misleading. In responses to the recent "Measuring Child Poverty Consultation" the four churches who authored *The lies we tell ourselves* agreed with the Church of England⁶ and the vast weight of academic and charity sector opinion on this point.

CSJ agrees with the underlying facts presented - that alcohol dependency and low income are not linked, and that the linkage with drug dependency is weak - meaning that the large majority of people addicted to drugs or alcohol are not in poverty as measured by any of the currently accepted methods.

Where we disagree is when the CSJ response says:

"In spite of everything we know about the destructive nature of addiction, it ['The lies we tell ourselves'] assumes that because a child grows up in a household with an income more than 60 per cent of the median, they will be fine"

This is a strange statement as our report is at pains to outline the damaging effects that we know are caused by problems by addiction. We just do not believe that is either logical or helpful to include all things which have the potential to affect badly a child's life chances in the definition of "child poverty".

There are many things which can blight a child's life. It is unhelpful to lump them into a single category called "poverty". That a child lives in a family with addiction problems is reason enough to be concerned - without needing to add the potentially misleading label of "poverty". Action for Children's campaign to revise the definition of child neglect provides a much more effective framework to address these issues than declaring all children living in families with addiction problems to be impoverished.

If a measure of poverty includes the children of alcohol dependant millionaires alongside the child of a low paid single parent, who have very different life experiences, life chances and safety nets, it quickly becomes very difficult to know what the purpose of the measure actually is. A measure which seeks to count families where the children may not be "fine" is a measure destined to obscure much more than it reveals.

⁶ http://www.churchofengland.org/media-centre/news/2013/02/church-questions-government-redefinition-of-child-poverty.aspx

We believe the purpose of a child poverty measure should be to identify families who do not have has sufficient material resources to meet their needs. Successive attitude surveys suggest this is also the British public's understanding of poverty – although, as pointed in our report, the importance of addiction as a *cause* of poverty is consistently overestimated.

 It appears we agree on the underlying evidence and problems associated with addiction but disagree over the conflation of addiction and poverty when measuring child poverty as a response. We would be happy to look at any information the CSJ believes we have not taken into account.

2.2: Public perceptions of alcohol and drug dependency and child poverty.

The CSJ has made a basic error in this section. The CSJ response criticises the *The lies we tell ourselves* at some length for misreporting a Department of Work and Pensions commissioned opinion poll on the public understanding of the causes of child poverty. Yet we do not at any point use the DWP study. Instead the section criticised by the CSJ accurately describes and references a different study, the British Social Attitudes (BSA) Survey. The CSJ mistake is perhaps understandable as the DWP opinion poll was derived from the more rigorous BSA research.

• It would be helpful if the CSJ revised its response to correct the basic error in commenting on the evidence we use on child poverty.

3.0 "They" just don't manage their money properly.

We welcome the fact that the CSJ agrees with the central point that poverty in the UK is not driven by people being unable to manage their money.

We are also glad that CSJ recognises that it is naive to treat any group as homogenous. It is therefore puzzling that the CSJ is so overwhelmingly supportive of the Government's "one size fits all" policy of paying Universal Credit monthly in arrears. Vulnerable people who have learned to cope in one set of circumstances will be forced to cope with a new less regular payment regime. Many may welcome this change, but for others this will be a difficult process. For some it may prove the final straw in their ability to cope. We have real concerns that the support is not available to help people through this transition or provide the long term support that some will need.

CSJ also agrees that the Poverty Premium – the amount families in poverty have to pay extra of goods and services simply because they live in poverty - is important. However the CSJ response asserts that a switch to paying benefits monthly in arrears will reduce this Poverty Premium. The assertion seems questionable as the largest component of the Poverty Premium is high credit charges. Later and less regular benefit payments would appear to increase the demand for such credit rather than decrease it. We have however seen no empirical evidence on this and it would be helpful is the CSJ could provide the modelling or other research they are using to make this claim.

 We would welcome the research the CSJ has quantifying the effect of monthly benefit payments in arrears on the Poverty Premium.

4.1 Exaggerations of benefit fraud

The Churches and the CSJ appear to be in agreement that, while any form of fraud is unacceptable, the levels of fraud are low. This is not the view of the UK public and the widespread inaccurate belief that people on benefits are "on the fiddle" both undermines the credibility of the system as a whole and stigmatises those need the benefit system's support.

Our report also seeks to highlight a double standard where public attention is focused heavily on the £1.6bn lost to the state in fraud via the benefits system, whilst being less interested the £18.7bn⁷ of other fraud perpetrated on the state, mainly through the tax system. This brings to mind an image of pointing at the speck in the eye of the benefit claimant while ignoring the plank in the eye of the more privileged.

The CSJ's response unhelpfully slips into the easy language of discussing fraud and error as a single entity which they clearly are not; although we note that quite properly the section is factually accurate. Public stigmatisation of the benefit claimant as a "scrounger" is not driven by a perception of a complicated benefit system that promotes error; rather it is driven by the inaccurate view that there are large numbers of people "on the fiddle". This view is encouraged by the many stories, often emanating from Government sources that support this myth.

We agree with the principle that the process of receiving benefits should be as simple possible. We also agree that this should reduce errors as well as make fraud more difficult. However the purpose of our report is to expose the myth that many are on the fiddle. It would be helpful if the CSJ could unambiguously support this effort, rather than continuing the confusion between fraud and error.

 It would be an important step forward if the CSJ unambiguously stated that the public perception of widespread fiddling of the benefit system was wrong.

Error in the section: The CSJ response makes an error when it states that the report fails to mention the high level of error in the system despite the fact we do give the combined number both in the text and in a headline.

⁷ Using comparable figures from UK Annual Fraud Indicator and excluding and the larger category of tax avoidance

 $https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118530/annual-fraud-indicator-2012.pdf$

⁸ http://www.methodist.org.uk/news-and-events/news-archive-2010/churches-write-to-cameron-asking-him-to-set-the-record-straight & http://www.jointpublicissues.org.uk/truth-about-poverty-please/

5.0 "They" have an easy life

The CSJ response contains the phrase "the current level of support provided by outof-work benefits like Jobseeker's Allowance (JSA) is not excessively generous, at around £71.70 a week for a single person over 25". When this section was read to a group of people who have had to survive on JSA the phrase "not excessively generous" provoked some outrage and laughter. Putting their comments politely they viewed this as a dismissive and massive understatement.

To go beyond anecdote, the levels of out-of-work benefit in the UK are low by historical and international standards. Their value has halved relative to average incomes in the last 30 years and, on becoming unemployed, a single childless person on average earnings in the UK faces the biggest drop in income of any jobless person anywhere in the OECD.

The substance of our argument is that the majority on benefits because they are out of work or in low-paid work -people who are commonly labelled as "shirkers", "scroungers" or "choosing a life on benefits" – have real difficulty making ends meet. The perception that a life on benefits comes with an expensive house, the freedom to choose to have a large family without financial consequences or the freedom to lounge about and not make a contribution to the rest of society is unambiguously untrue.

Rather than address this point and take the opportunity to acknowledge the damaging nature of these commonly held misconceptions the CSJ chooses to disagree by using the one in a million example of a family receiving over £1,917 a week in housing benefit (the term £100,000 a year may be misleading as it is now unclear if any family lived in such accommodation for a year). The CSJ describes this as "excessive generosity" – although fails to note that this is generosity to a landlord and not to the claimant who would have no choices other than to accept or reject the accommodation offered to them and would see not a penny of the rent.

Equally disappointingly the CSJ then sidesteps the issue of stigmatisation of people receiving benefits and instead makes an ideological point about the purpose of the benefit system. We agree with the CSJ's Figure 2 that many benefits go to the people on higher incomes. The benefit which most frequently goes to those on high incomes is also the most popular and the most expensive – the state pension. This, like the childcare component of working tax credit referred to by the CSJ or maternity allowance, are a recognition of changes in a family's needs and earning capacity over the course of a lifetime.

The Churches have no detailed common view as to the levels of these benefits or how the fluctuations in earnings over a lifetime should be handled within the tax and benefit system. To state as the CSJ does that "this is not a socially just use of public money" suggests the only socially just benefit expenditure is the direct alleviation of poverty – an ideological position which is surprising but beyond the scope of the report.

The majority of working age benefits are targeted at those who just don't have enough to live on because they can't work or can't find work that pays enough to make ends meet. The Churches have a common and strongly held view that this group of claimants should be able to live with dignity and that their standard of living should not be exaggerated by press or politicians to further their political objectives.

- It would be helpful if the CSJ clarified their position on the numbers of people "choosing a life on benefits" and the adequacy of income replacement benefits.
- While outside the scope of the report many would interested in the CSJ's view of the role of benefits to accommodate changing earning capacities over the period of education, work, child rearing and retirement.

6 Blaming the deficit on the poorest

The Secretary of State for Work and Pensions asserted that the deficit was caused by "chasing the [child poverty] target"⁹. This was one of many statements that have been made by politicians and commentators blaming the poorest for the deficit. We are happy that the CSJ agrees with us that the poor did not cause the deficit and that "the proportion of national income spent on welfare has remained surprisingly constant over the past two decades".

The CSJ response challenges the wisdom and efficiency of the benefits spending by the previous administration. This is a rightly a matter of judgement and party political debate which we are not best placed to enter into.

We would ask the CSJ to act on this and join with us in challenging the rhetoric which states that spending on benefits has "spiralled out of control", "gone through the roof" or "is the reason that we got in to debt and deficit".

 It would be a great step forward if the CSJ joined used its influence to challenge the rhetoric that inaccurately suggests benefits spending has increased out of proportion to our income and/or caused the deficit.

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⁹ Today Programme, 14 June 2012, referenced in *The lies we tell ourselves*

Conclusion

The lies we tell ourselves struck a chord: within churches where preachers and housegroups are using the materials; in the media where it received more attention than was envisaged; and on social media where literally millions of people have sent and received tweets referring to the campaign. The reason for this was not the report and its details but the widespread recognition of the problems it describes.

The problem we highlight is that as a society our beliefs about poverty and the personal characteristics of those who experience poverty are both judgemental and disconnected from the reality. They reflect neither the experience of our churches on the ground nor the reality that is described by the evidence from high quality research.

Moreover the report showed numerous misrepresentations and some straight forward untruths which have served to poison the public's hearts toward the most vulnerable. Within 6 weeks of publication 3 more straight forward untruths had come from Government ministers alone – all falsely painting the most vulnerable as cheats. This is the substance of the report and goes entirely unremarked upon by the CSJs response.

In essence the CSJ document, Setting the record straight, is a loud non-response, picking at the details while ignoring the substance. Instead the response is a vigorous defence of the Government's welfare reforms in general and the Universal Credit in particular. This is perhaps understandable given the CSJ's strong links to the current administration. We know from our postbag that many Conservative MPs rely on the CSJ to advise them when dealing with issues of social justice. Sadly this response will not advise anyone on how to deal with the important issues of stigma and misrepresentation. The debate on poverty in the UK is poorer for that.

<u>The answer to the question – "why are the least well off misrepresented and increasingly feeling stigmatised and blamed?" cannot be "Universal Credit is great"</u>.

In some places, including by the CSJ, our report has been read as an attack on government policy – it is not and was not intended to be - indeed it gives support for the principles of Universal Credit. Its purpose was to challenge those who would carelessly or deliberately use untruths about the vulnerable. Members of both the current and the previous administration are implicated in that.

Stigmatisation of the poorest is increasingly important – recent research by NatCen underlines this. Negative public attitudes are already shaping the life experience of many people in poverty and will shape the policies that affect the poorest over the years to come.

The Churches and, we hope, many of the CSJ's supporters would welcome a contribution from the CSJ's to the important debate around poverty, stigma and the blaming culture which is now rife. The CSJ response *Setting the record straight* is not that contribution.

- The CSJ uses the term "dependency" a great deal. It is widely acknowledged that
 when used carelessly the term can be misleading and stigmatising. Does the CSJ
 discriminate between welfare receipt and welfare dependency and if so how?
- It would be extremely helpful if the CSJ could outline the definition of "welfare dependency" it uses.
- We would be grateful if the CSJ revised its response to represent our position on intergenerational worklessness correctly.
- It would also be helpful to confirm if the CSJ believes that the statement that "three generations that have never worked" is no longer credible.
- We would be happy to understand how the ideas of a growing "culture of worklessness" and "welfare dependency", prior to the banking crisis are compatible with our common understanding of the decline in worklessness.
- We would be happy to see any data or research CSJ might have which would improve our understanding of the decline in out-of-work benefit claimants over that time.
- It appears we agree on the underlying evidence and problems associated with addiction but disagree over the conflation of addiction and poverty when measuring child poverty as a response. We would be happy to look at any information the CSJ believes we have not taken into account.
- It would be helpful if the CSJ revised its response to correct the basic error in commenting on the evidence we use on child poverty.
- We would welcome the research the CSJ has quantifying the effect of monthly benefit payments in arrears on the Poverty Premium.
- It would be an important step forward if the CSJ unambiguously stated that the public perception of widespread fiddling of the benefit system was wrong.
- It would be helpful if the CSJ clarified their position on the numbers of people "choosing a life on benefits" and the adequacy of income replacement benefits.
- While outside the scope of the report many would interested in the CSJ's view of the role of benefits to accommodate changing earning capacities over the period of education, work, child rearing and retirement.
- It would be a great step forward if the CSJ joined used its influence to challenge
 the rhetoric that inaccurately suggests benefits spending has increased out of
 proportion to our income and/or caused the deficit.

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