

UNIVERSITY OF BRISTOL

Townsend Centre
for International
Poverty Research



SECOND UNITED NATIONS DECADE FOR THE
eradication of poverty
(2008 – 2017)



Advocating Anti-poverty Policies in Rich Countries

Dr David Gordon

戈登 大卫/戴维

Professor of Social Justice

School for Policy Studies

University of Bristol

Hong Kong Council of Social Services

Room 202, Duke of Windsor Building

15 Hennessy Road, Hong Kong

1st September 2011

All cultures have a concept of Poverty

“In Wealth, many friends, in poverty not even relatives”

- Japanese Proverb

“Poverty is the worst form of violence!”

- Mahatma Gandhi - Indian Philosopher & Freedom Fighter

“The greatest evils and the worst of crimes is poverty”

George Bernard Shaw - Irish Playwright & Novelist

Poverty in NOT party political – everybody thinks its is a ‘bad’ thing

Poverty Denial - The End of the Line for Poverty?

John Moore, who was the Conservative Secretary of State for Social Security in 1989 claimed that poverty had been abolished and that critics of the government's policies were:

“not concerned with the actual living standards of real people but with pursuing the political goal of equality ... We reject their claims about poverty in the UK, and we do so knowing that their motive is not compassion for the less well-off, it is an attempt to discredit our real economic achievement in protecting and improving the living standards of our people. Their purpose in calling ‘poverty’ what is in reality simply inequality, is so they can call western material capitalism a failure. We must expose this for what it is ... utterly false.

it is capitalism that has wiped out the stark want of Dickensian Britain.

it is capitalism that has caused the steady improvements in living standards this century.

and it is capitalism which is the only firm guarantee of still better living standards for our children and our grandchildren.”

The Poor Will Always be With Us – Nothing Can be Done

“There is no promise, no religious obligation/decreed (mitzvah) to make sure that there shall be no poor... It is an unattainable ideal in which even communism failed. It is a fight against human nature.

The duty of the establishment is to not let the poor really fall... To help them by providing the right conditions for their integration in the labour market. The community should be compassionate regarding the emotional needs of the poor and help them”.

A. Kravitz. Israel Deputy Minister of Welfare, Speech delivered 24/6/2005

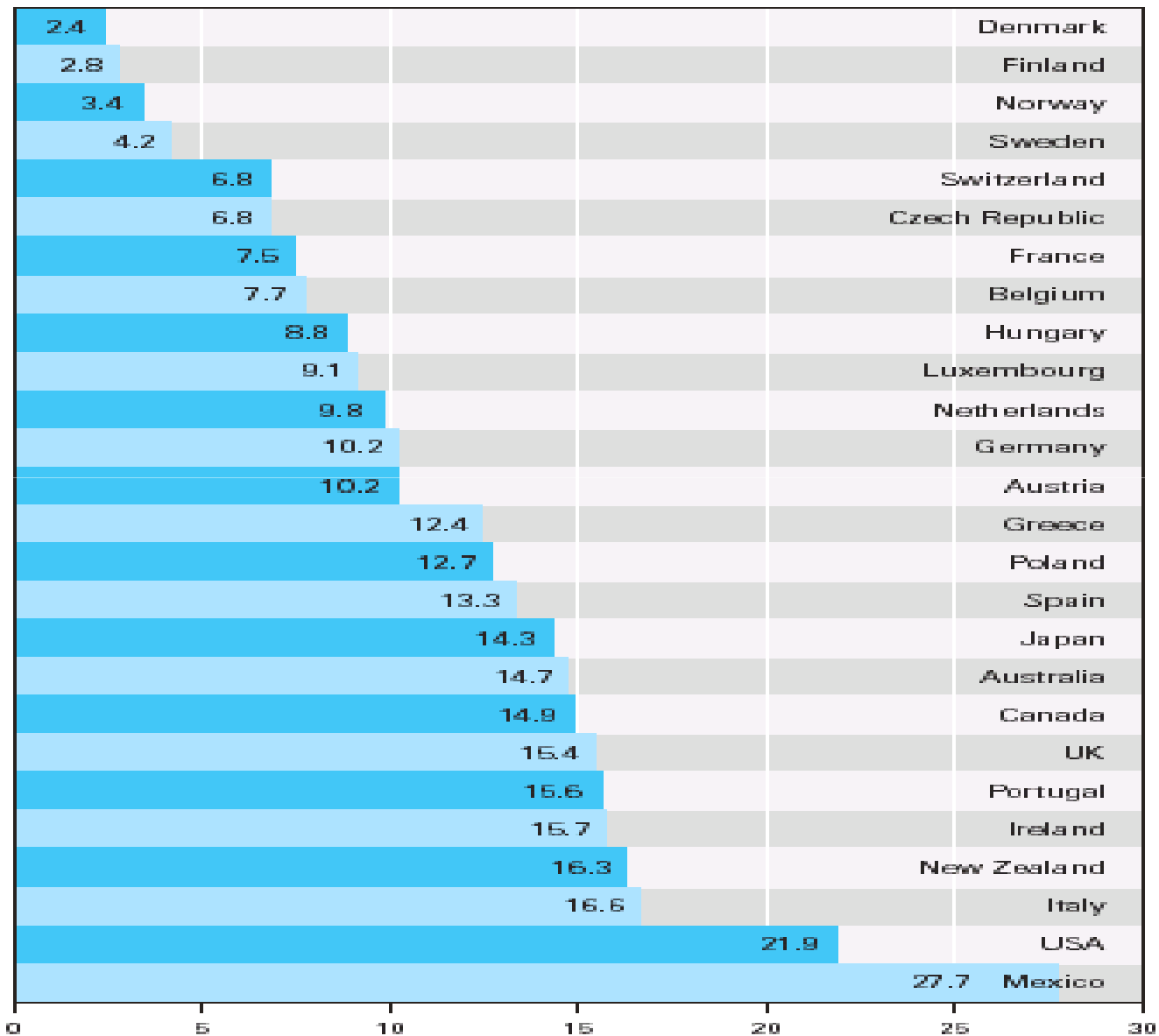
Welsh Child Poverty Strategy

1. Increasing the income of poor families with children.
2. Ensure that, as far as possible, children living in low income families are not materially deprived.
3. Promote and facilitate paid employment for parents in low-income families.
4. Provide low-income parents with the skills needed to secure employment.
5. Help young people take advantage of employment opportunities.
6. Support the parenting of children.
7. Reduce inequalities in educational attainment between children and young people.
8. Help young people participate effectively in education and training.
9. Reduce inequalities in health between children and between their parents, so far as necessary, to ensure children's well-being.
10. Reduce inequalities in participation in cultural, sporting and leisure activities between children and between children's parents, so far as necessary, to ensure children's well-being.
11. Help young people participate effectively and responsibly in the life of their community.
12. Ensure that all children grow up in decent housing.
13. Ensure that all children grow up in safe and cohesive communities.

Emphasising the Costs of Poverty in Rich Countries

UNICEF Child Poverty League of Rich Countries

Percent of children living below 50% of median national income



Source: UNICEF (2005)

The Cost of Ending Child Poverty: the amount needed to raise the incomes of all poor families with children above the poverty threshold

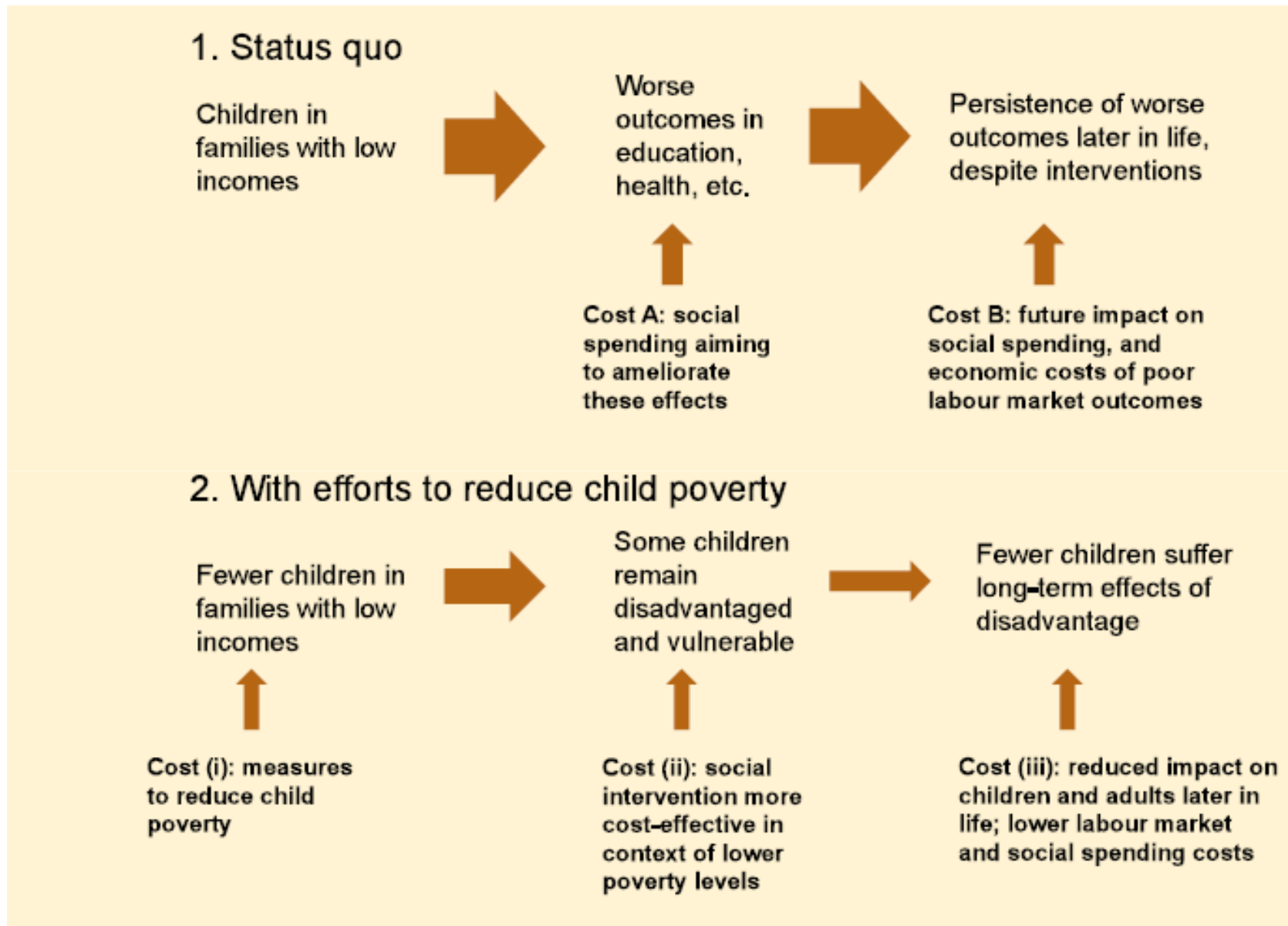
<i>The child poverty gap</i>	
	per cent of GNP
SWEDEN	0.07
FINLAND	0.08
BELGIUM	0.09
LUXEMBOURG	0.09
NORWAY	0.12
DENMARK	0.12
FRANCE	0.14
HUNGARY	0.24
GERMANY	0.26
SPAIN	0.31
NETHERLANDS	0.31
AUSTRALIA	0.39
CANADA	0.46
UK	0.48
ITALY	0.50
POLAND	0.56
USA	0.66

Summary of Outcomes of Child Poverty

<i>Outcome</i>	<i>Are Outcomes Associated with Poverty?</i>
• Mortality	Yes, strong association with social class
• Morbidity	Yes, strong association for most diseases
• Accidents	Yes, for fatal accidents (but not accident morbidity)
• Mental Illness	Yes
• Suicide	Yes
• Child Abuse	Yes, except sexual abuse
• Teenage Pregnancy	Yes
• Environment/Housing Conditions	Yes
• Homelessness	Yes
• Low Education attainment	Yes
• School exclusions	Don't Know
• Crime	No
• Smoking	Mainly after childhood
• Alcohol	No
• Drugs	No
• Child Labour	No

Source: Bradshaw (2001)

Figure 1: Illustration of relationship between costs and outcomes



Blanden, J., Hansen, K. and Machin, S. (2008) *The GDP costs of the lost earning potential of adults who grew up in poverty*. York: JRF

Economic Cost of Child Poverty in the UK

Child poverty costs the UK at least £25 billion a year, (equivalent to 2% of GDP) including £17 billion that could accrue to the Exchequer if child poverty were eradicated.

Public spending to deal with the fallout of child poverty is about £12 billion a year, about 60 per cent of which goes on personal social services, school education and police and criminal justice.

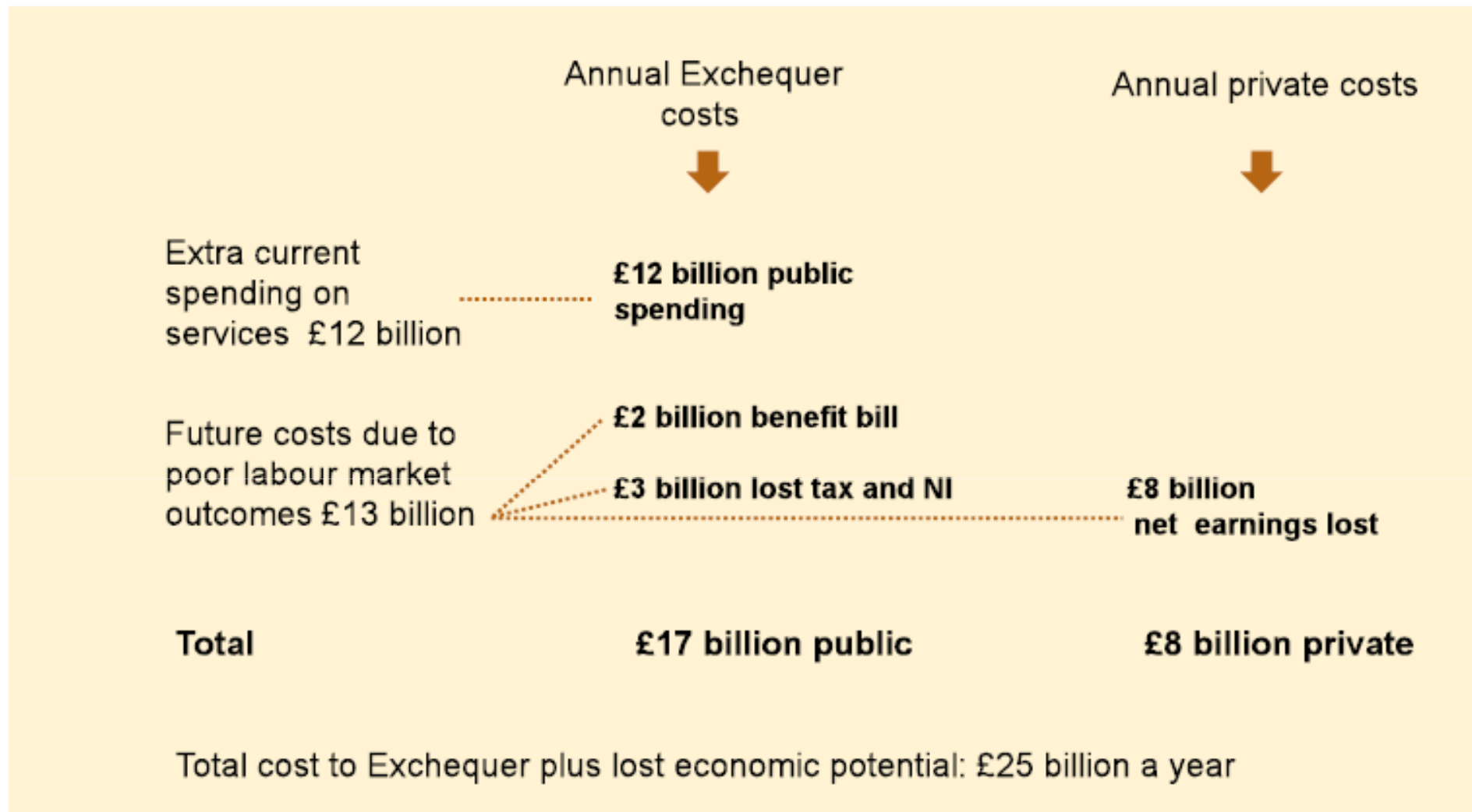
- The annual cost of below-average employment rates and earnings levels among adults who grew up in poverty is about £13 billion, of which £5 billion represents extra benefit payments and lower tax revenues; the remaining £8 billion is lost earnings to individuals, affecting gross domestic product (GDP).

Table 1: Estimates of the cost of child poverty by service, England and UK, 2006/07 (£ million)

Expenditure attributed to child poverty						
Service	a) amount				b) as percentage of all spending in each service area	
	England £m		UK £m		Low	High
	Low	High	Low	High		
Personal social services	2,414	2,414	2,849	2,849	71	71
Acute healthcare	1007	1007	1211	1211	2	2
Primary healthcare	730	730	859	859	5	5
School education	2,300	2,300	2,888	2,888	10	10
New social housing	527	1,166	748	1,654	37	98
Housing benefit and CTB*	0	3,757	0	4,420		32
Decent Homes programme	0	1,477	0	1,697		31
Police and criminal justice	1,060	2,502	1,240	2,927	5	12
Fire and rescue	724	724	926	926	33	42
Local environmental	338	675	395	790	11	22
Area-based programme	405	405	477	478	43	43
Total	9,506	17,159	11,593	20,699		

* Council Tax Benefit

Figure 2: Adding up the costs



The Cost of Child Poverty in the USA

“the costs to the U.S. associated with childhood poverty total about \$500B per year, or the equivalent of nearly 4 percent of GDP.

More specifically, we estimate that childhood poverty each year:

- Reduces productivity and economic output by about 1.3 percent of GDP
- Raises the costs of crime by 1.3 percent of GDP
- Raises health expenditures and reduces the value of health by 1.2 percent of GDP”

Holzer, H., Schanzenbach, D., Duncan, G. and Ludwig, J. (2007) *The Economic Cost of Poverty in the United States: Subsequent effects of children growing up poor*. Washington: Center for American Progress

The Cost of Poverty in Ontario, Canada

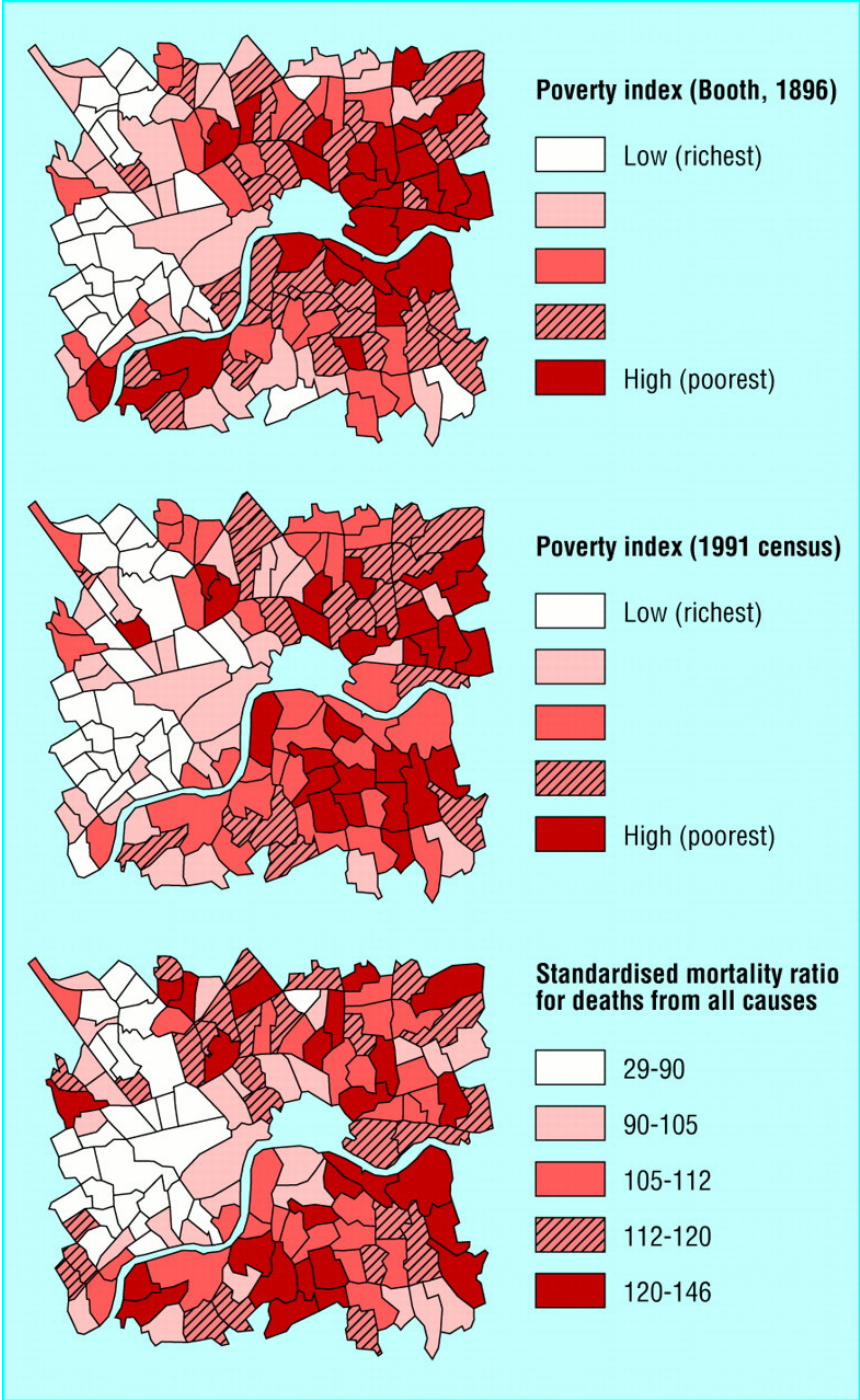
- **Poverty has a significant cost for governments.** The federal and Ontario government are losing at least \$10.4 billion to \$13.1 billion a year due to poverty, a loss equal to between 10.8 to 16.6 per cent of the provincial budget.
- **Poverty has a cost for every household in Ontario.** In real terms, poverty costs every household in the province from \$2,299 to \$2,895 every year.
- **Poverty has a very significant total economic cost in Ontario.** When both private and public (or social) costs are combined, the total cost of poverty in Ontario is equal to 5.5 to 6.6 per cent of Ontario's Gross Domestic Product (GDP).

The Injustice of Poverty

The Consequences of Poverty in Britain (PSE 1999)

- Roughly 9.5 million people in Britain cannot afford adequate housing. That is, they are unable to afford to keep their homes adequately heated, free from damp or in a decent state of decoration.
- About 8 million people cannot afford one or more essential household goods (*eg.* refrigerator, telephone, carpets), or to repair electrical goods or furniture.
- Almost 7.5 million people cannot afford to participate in common social activities such as visiting friends or family, attending weddings or funerals, or celebrating special occasions.
- One third of British children go without social or material necessities (*eg.* three meals a day, toys, out-of-school activities, adequate clothing). Nearly one fifth (18%) go without two or more necessities as defined by the majority of the British population.
- About 6.5 million adults go without essential clothing such as a warm waterproof coat because of a lack of money.
- Around 4 million people are not properly fed by today's standards. For example, they cannot afford fresh fruit and vegetables, or two meals a day.
- Over 10.5 million people are financial insecure, they cannot to afford to save, insure their possessions, or spend even small amounts of money on themselves.

'The Ghost of Christmas Past'



The persistence of 'area' poverty

Booths eight classes in his survey of Londoners

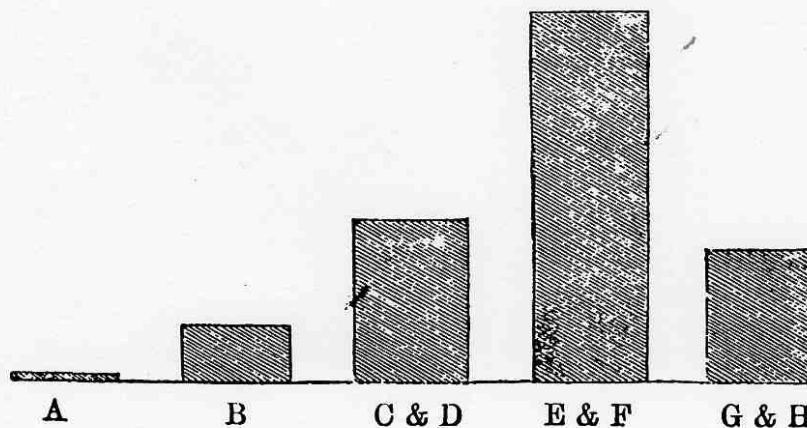
They may be stated thus :—

- A. The lowest class—occasional labourers, loafers and semi-criminals.
- B. The very poor—casual labour, hand-to-mouth existence, chronic want.
- C and D. The poor—including alike those whose earnings are small, because of irregularity of employment, and those whose work, though regular, is ill-paid.
- E and F. The regularly employed and fairly paid working class of all grades.
- G and H. Lower and upper middle class and all above this level.

The proportions of the different classes shown for all London are as follows :—

A (lowest)	37,610	or	·9 per cent.	} In poverty, 30·7 per cent.
B (very poor)	316,834	„	7·5 per cent.	
C and D (poor)	938,293	„	22·3 per cent.	
E and F (working class, comfortable)	2,166,503	„	51·5 per cent.	} In comfort, 69·3 per cent.
G and H (middle class and above)	749,930	„	17·8 per cent.	
	<hr/>		<hr/>	
	4,209,170		100 per cent.	
Inmates of Institutions	99,830			
	<hr/>		<hr/>	
	4,309,000			

Graphically, the proportions may be shown thus :—



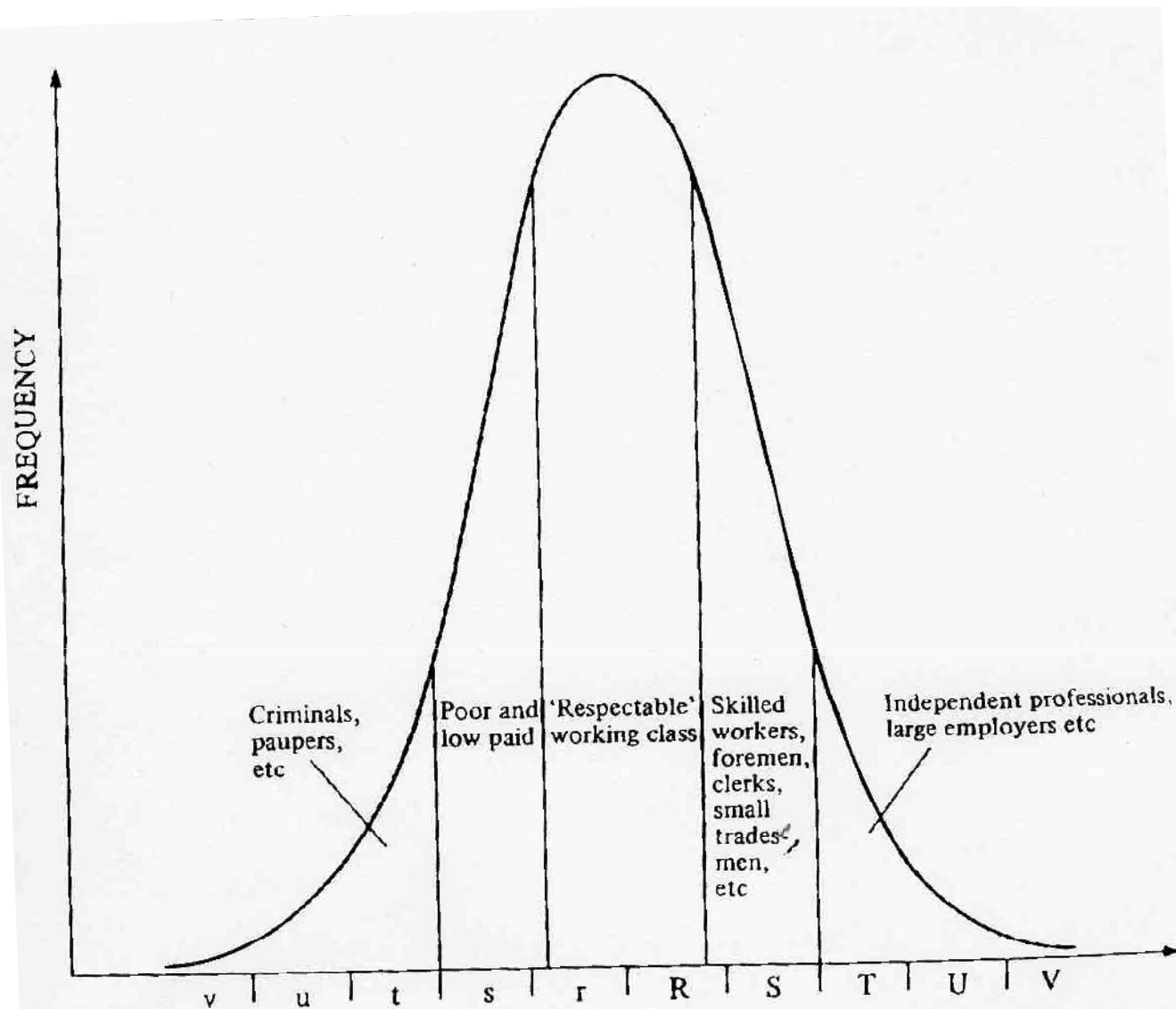
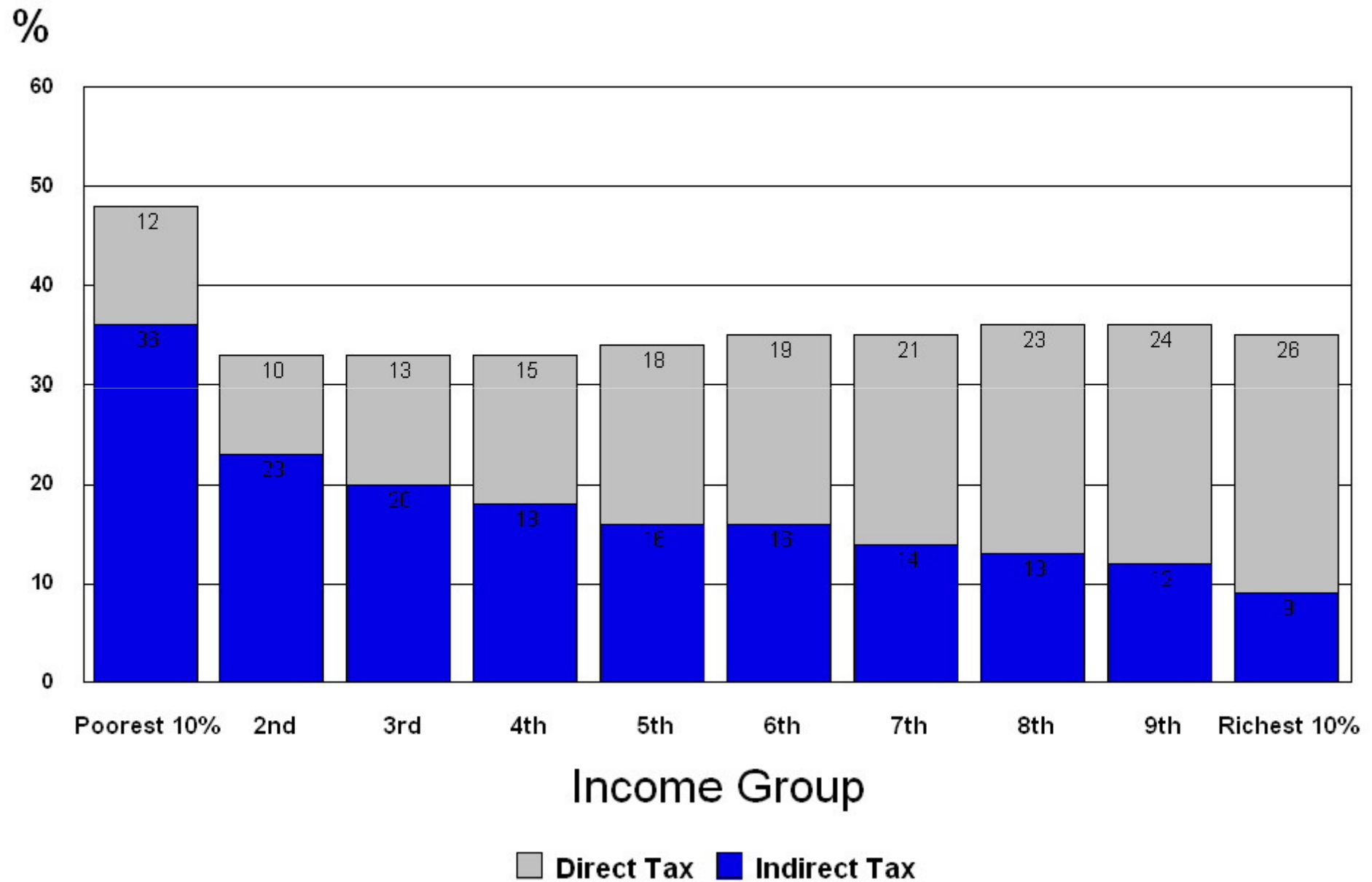


Figure 1. Galton's view of British social structure. In the diagram we see the 'respectable working class' clustered about the mid-point of civic worth. Class V is constituted by the upper fraction of the talented, existing at the frequency of 35 per 10,000 of population. The intervals along the x axis of the graph are multiples of what now is called the 'standard deviation' of the distribution - in this case, of the rather vague 'civic worth'.

Tax as a percent of gross household income, 2007/08

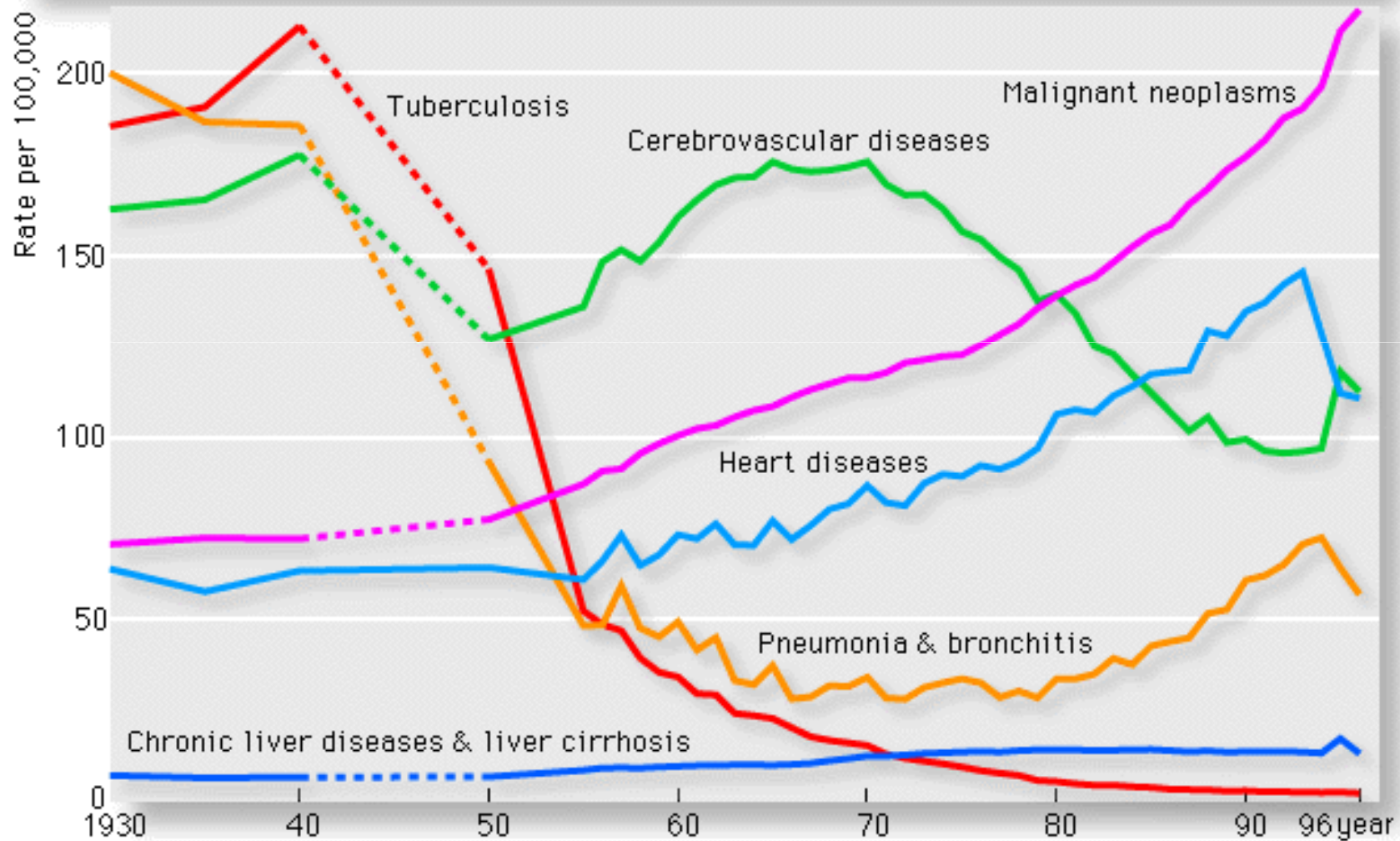


Main conclusions of Galobardes et al:

- Childhood SEP is particularly important for mortality from **stomach cancer**.
- Childhood SEP was particularly important for **haemorrhagic stroke** but there was not consistency across studies.
- Childhood circumstances contribute, together with socioeconomic conditions in adult life, in determining mortality from **coronary heart disease, liver and lung cancer, respiratory-related deaths and diabetes**. The relative contribution of child-versus-adult circumstances varied in different contexts.
- Childhood circumstances may contribute to **external (including unintentional injuries and homicide) and alcohol-related causes of death**, especially in northern European countries.
- There is no evidence for an association with overall non-smoking-related cancers.

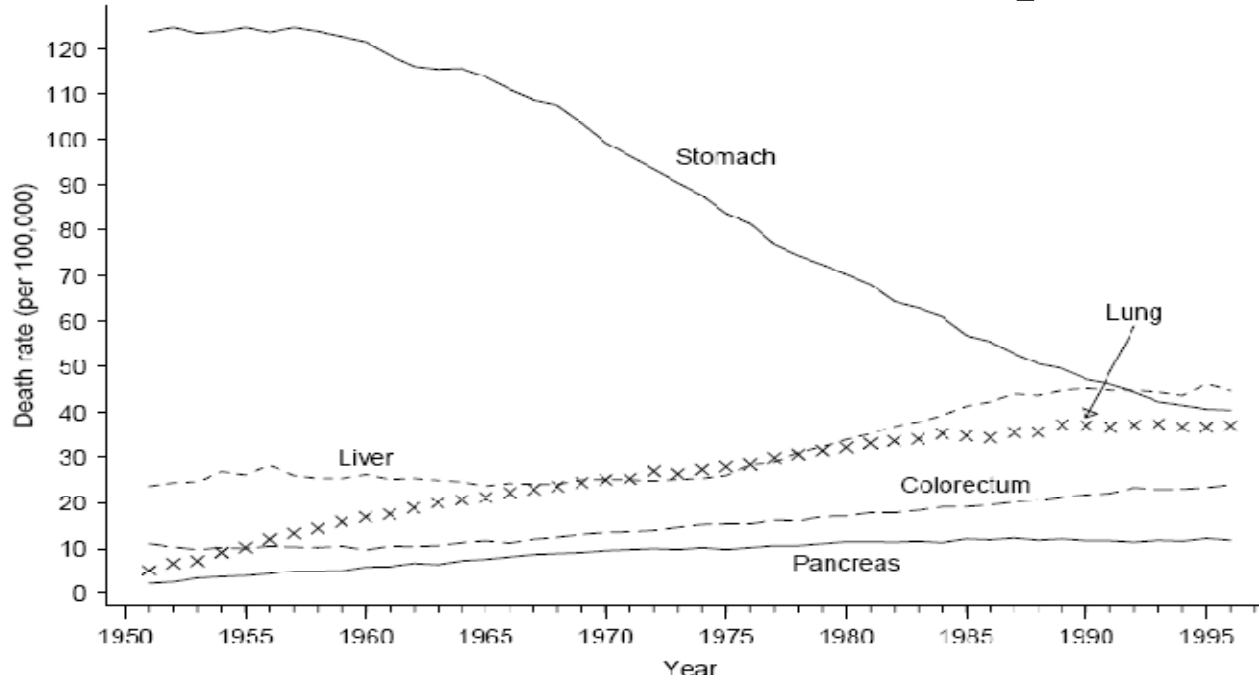
The Epidemiological Transition in Japan the conquest of infectious disease in the 1950s

Annual mortality trends by leading causes of death in Japan (1930~1996)

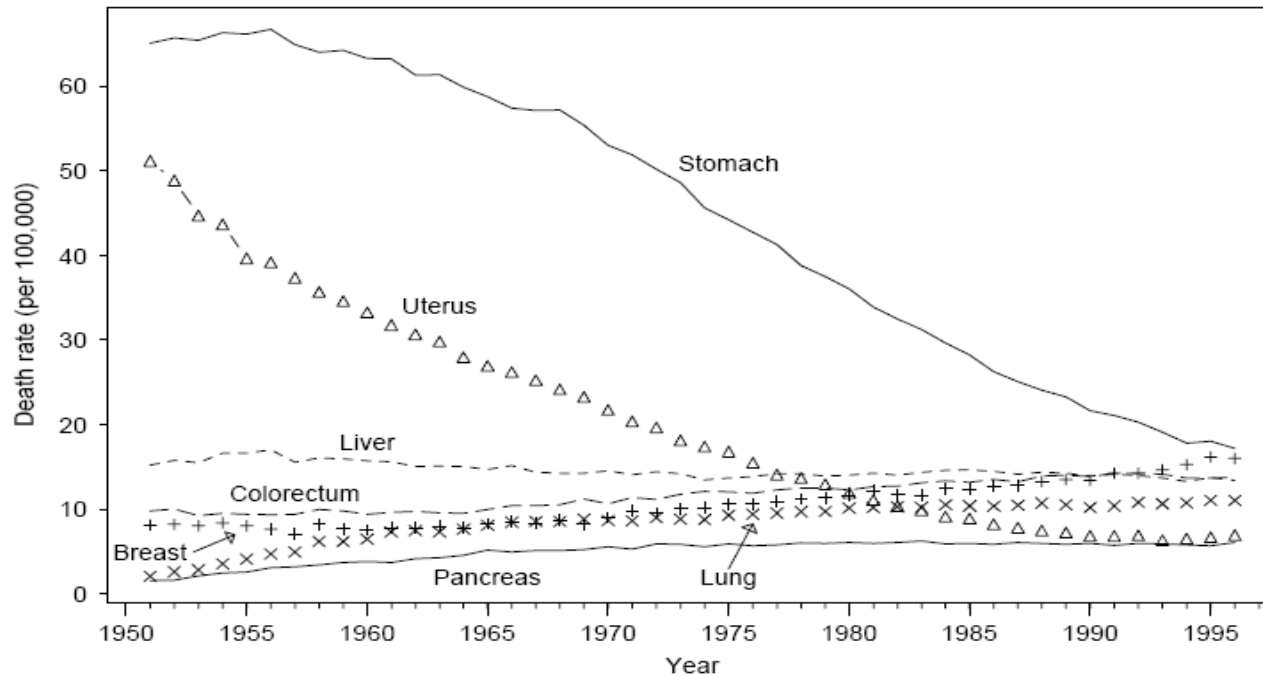


The Cancer Transition in Japan

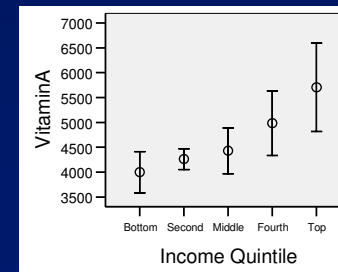
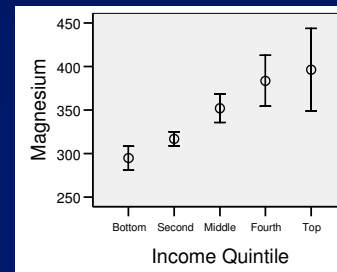
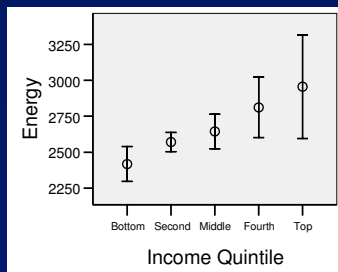
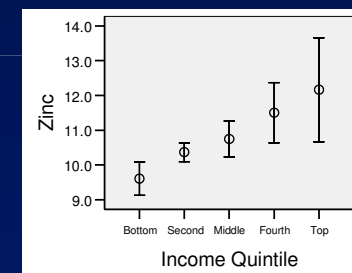
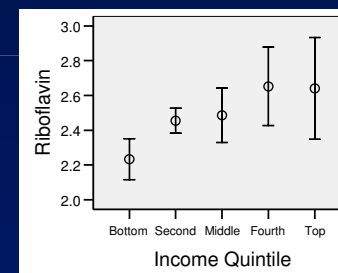
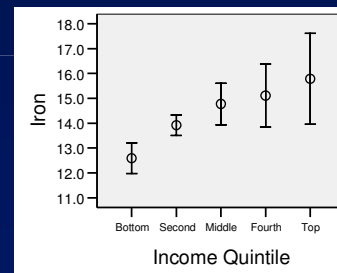
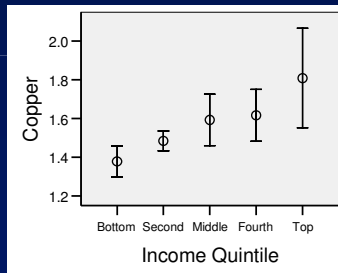
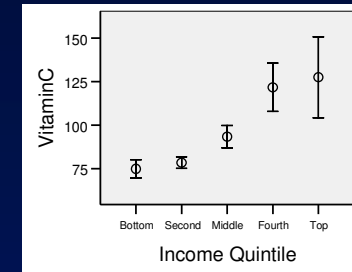
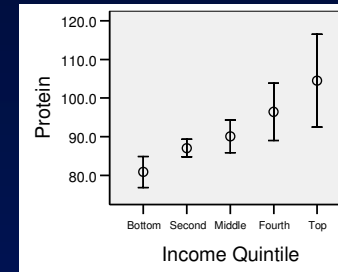
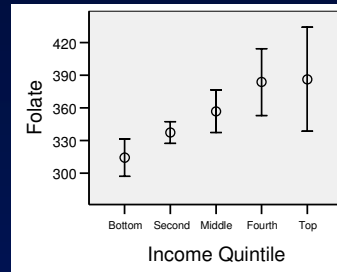
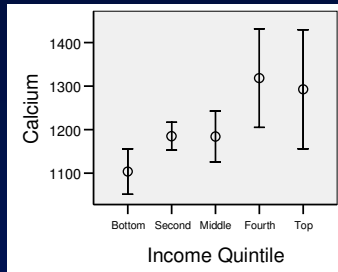
Men
Cancer
Deaths
1951-1996



Women
Cancer Deaths
1951-1996



Income/nutrient intakes (older persons UK)



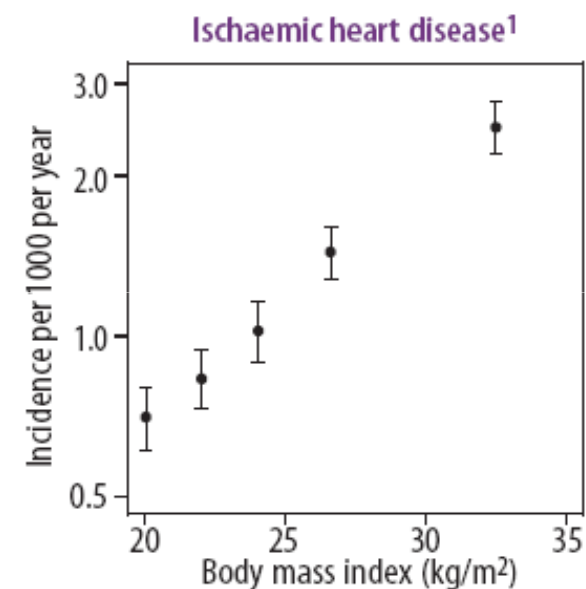
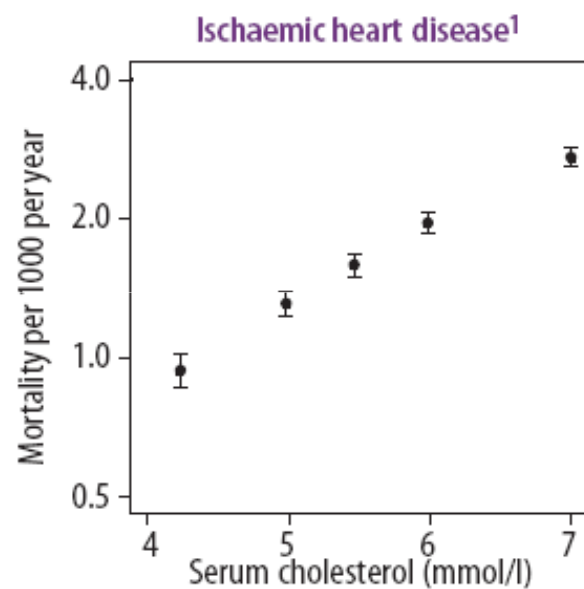
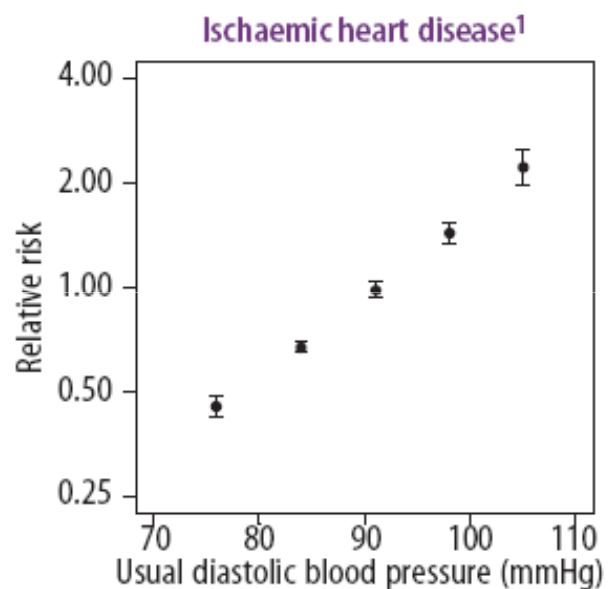
Male life expectancy, between- and within-country inequities, selected countries

Place	Life expectancy at birth
United Kingdom, Scotland, Glasgow (Calton) ^b	54
India ^a	62
United States, Washington DC (black) ^c	63
Philippines ^a	64
Lithuania ^a	65
Poland ^a	71
Mexico ^a	72
United States ^a	75
Cuba ^a	75
United Kingdom ^a	77
Japan ^a	79
Iceland ^a	79
United States, Montgomery County (white) ^c	80
United Kingdom, Scotland, Glasgow (Lenzie N.) ^b	82

Number of Voters Dying Young in Government Ministers Constituencies

		Rank of 641	% excess mort	Excess deaths p.a.	
The Rt Hon Donald DEWAR	Secretary of State for Scotland	8	55%	104	Glasgow Anniesland
Ms Clare SHORT	Secretary of State for International Development	14	46%	106	Birmingham Ladywood
Mr Frank DOBSON	Secretary of State for Health	26	38%	70	Holborn & St Pancras
Mr George ROBERTSON	Secretary of State for Defence	28	35%	53	Hamilton South
Ms Harriet HARMAN	Secretary of state for Social Security	33	33%	59	Camberwell & Peckham
Mr Alistair DARLING	Chief Secretary to the Treasury	46	28%	42	Edinburgh Central
Mr Jack STRAW	Secretary of State for the Home Department	48	28%	64	Blackburn

Linear association between risk factor and Ischaemic heart disease



Very little of the mortality gap by social class can be explained by known 'risk' factors

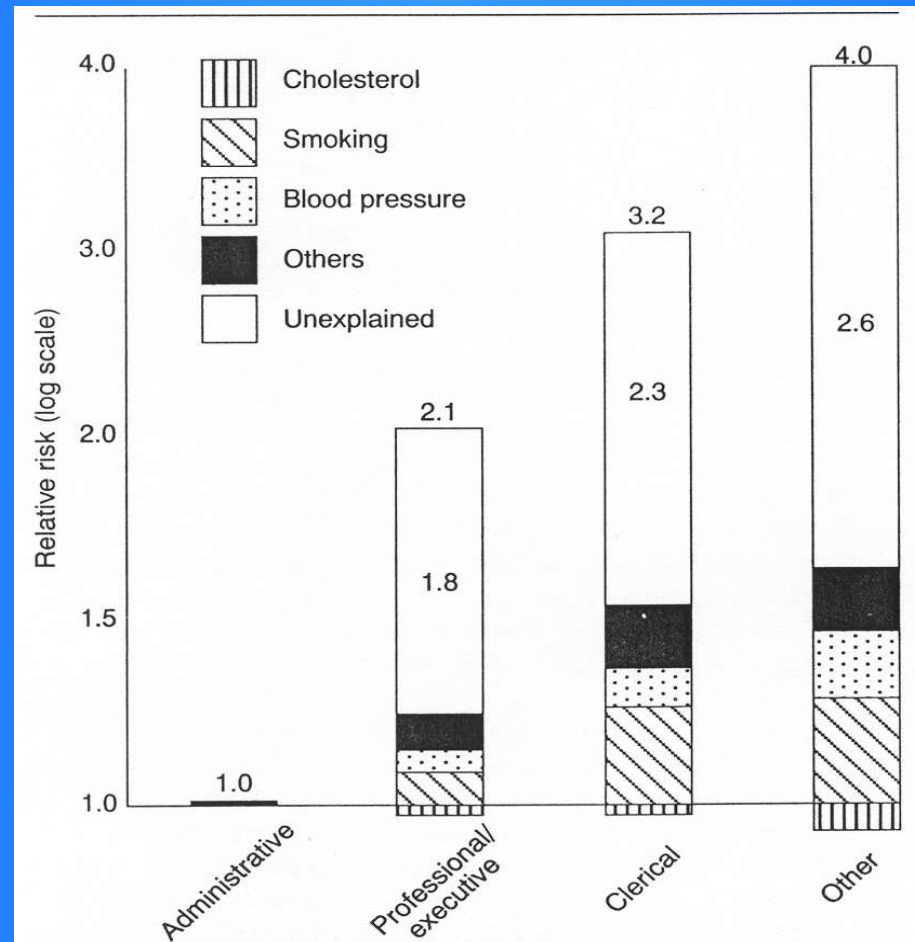


Figure 4.1: Relative risk of death from coronary heart disease according to employment grade, and proportions of differences that can be explained statistically by various risk factors

Note: 'Others' = height, body mass, exercise, glucose tolerance

Source: G. Rose and M. Marmot, Social class and coronary heart disease.

British Heart Journal 1981: 13-19

Too Much Inequality Damages Society

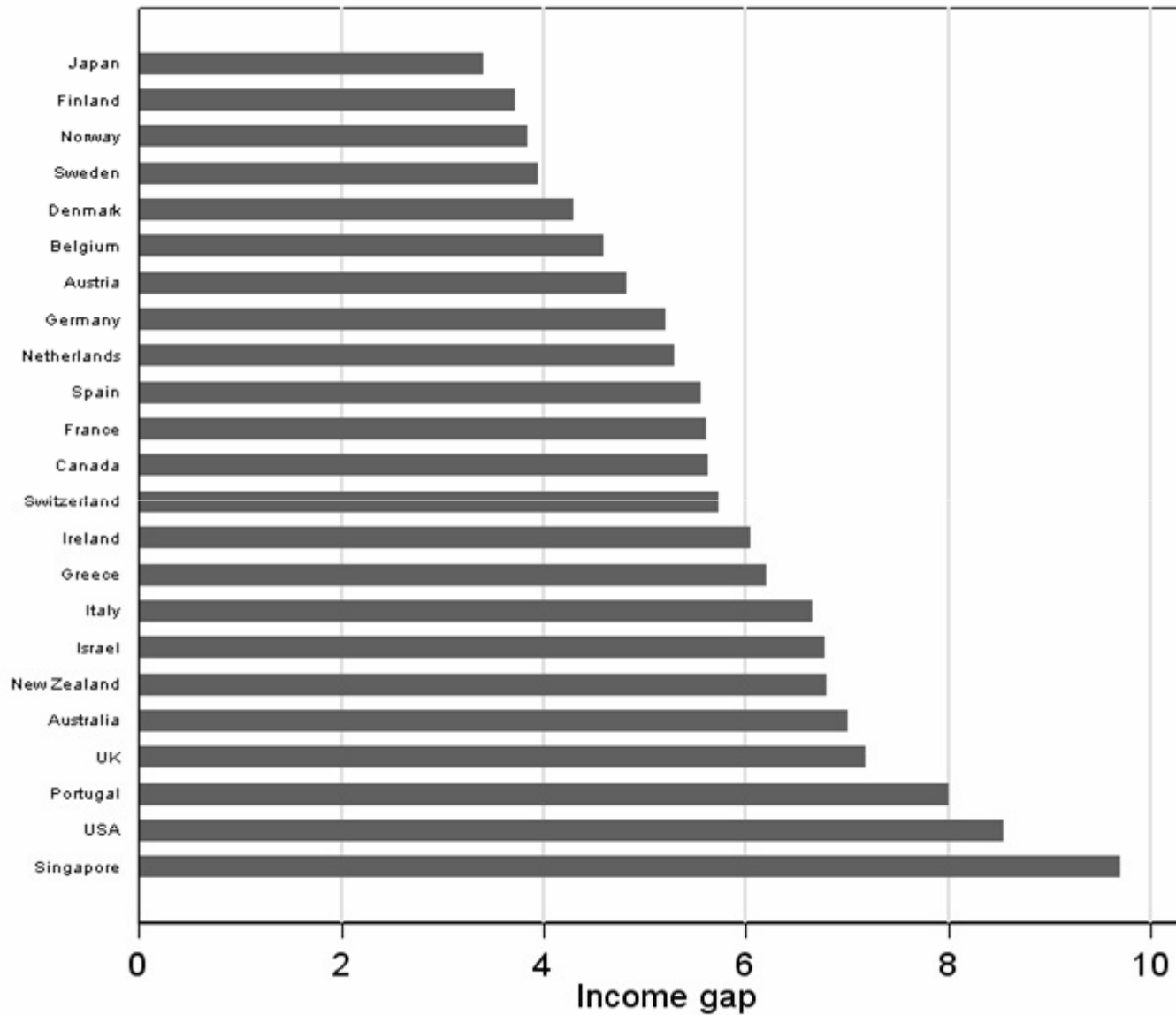
The Spirit Level

Why More Equal Societies Almost Always Do Better

Richard Wilkinson and Kate Pickett



How much richer are the richest 20% than the poorest 20%?



Source: United Nations Development Program

Source: Wilkinson & Pickett, *The Spirit Level* (2009)

www.equalitytrust.org.uk

The Equality Trust

Health and Social Problems are Worse in More Unequal Countries

Index of:

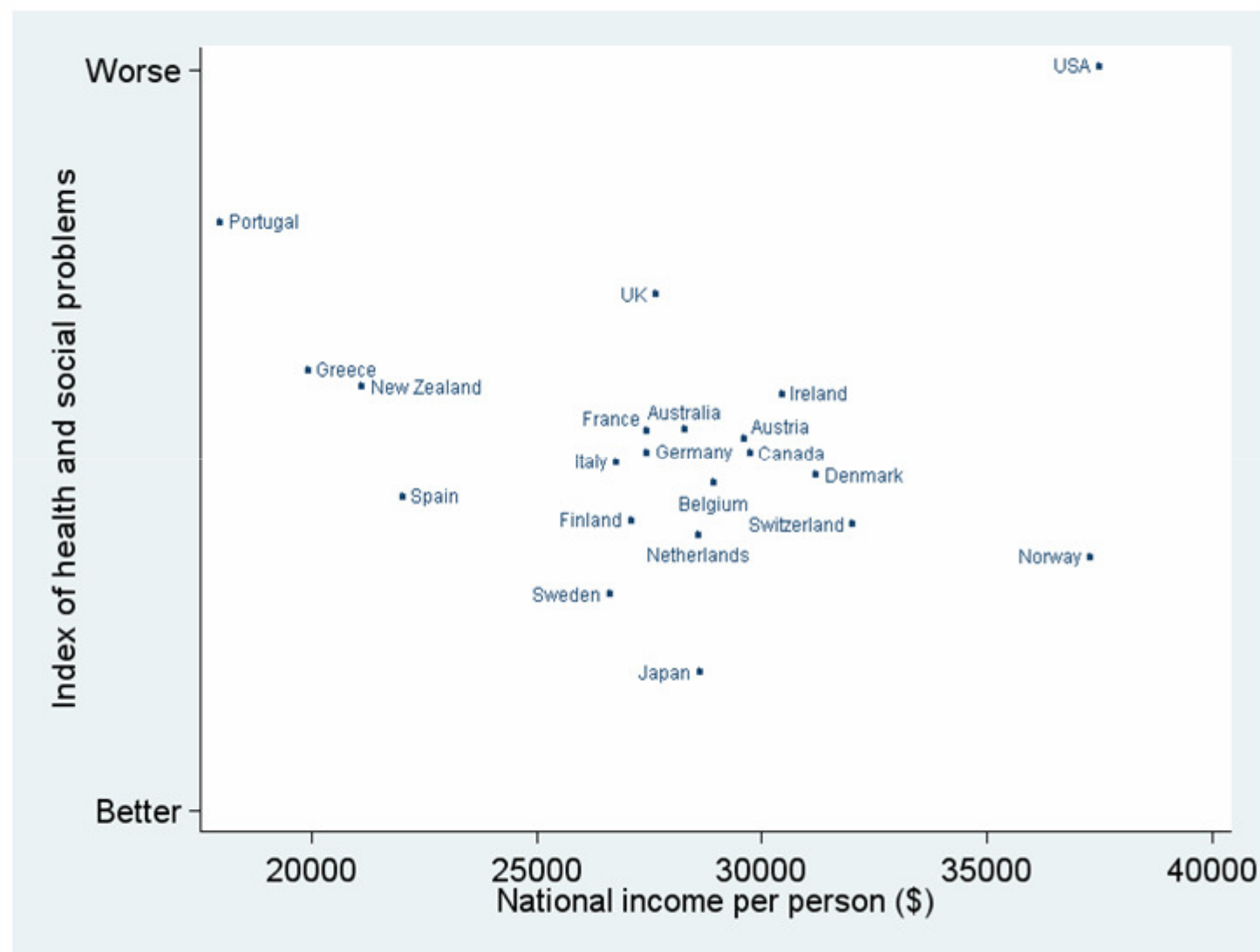
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility



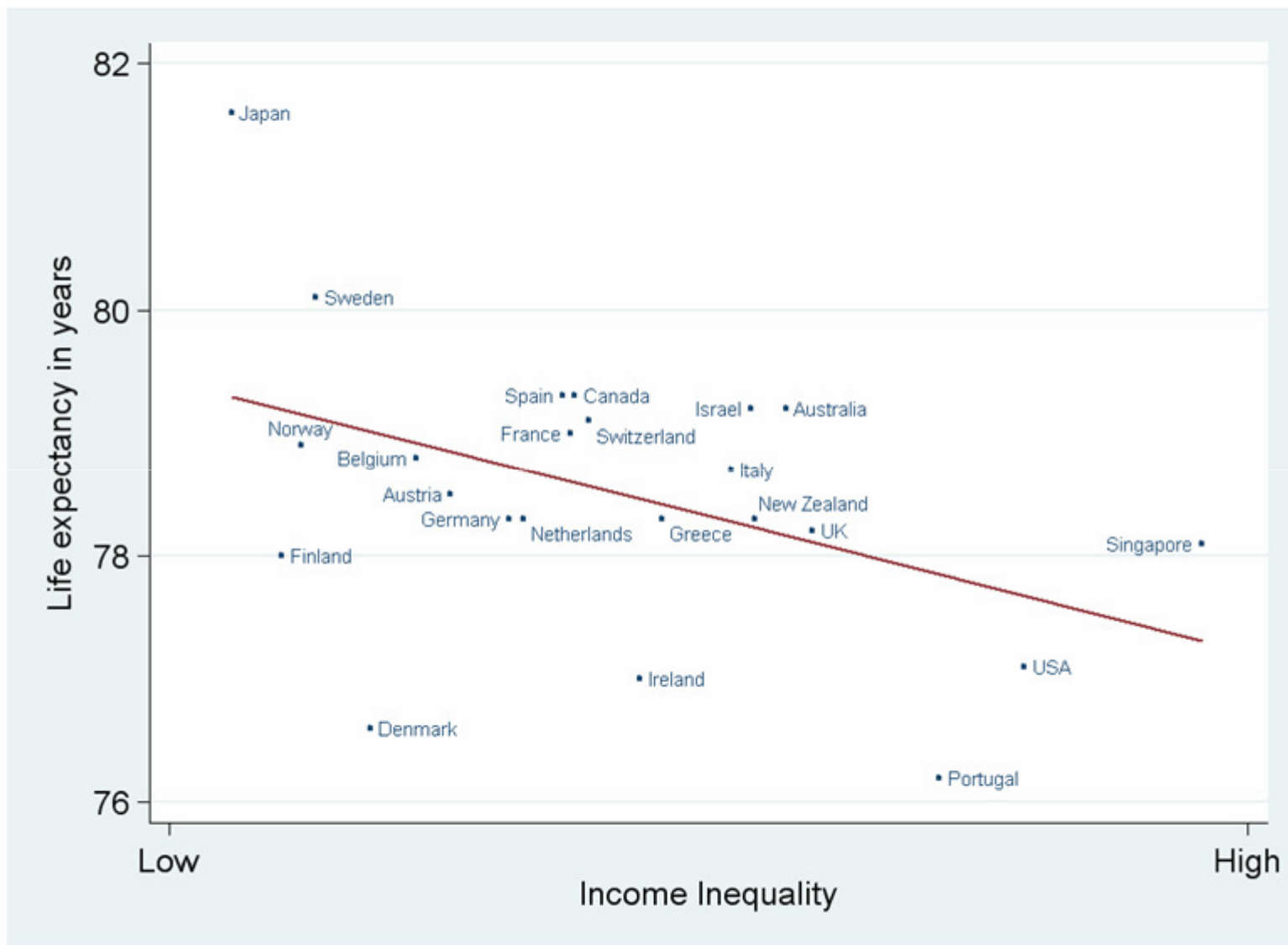
Health and Social Problems are not Related to Average Income in Rich Countries

Index of:

- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility

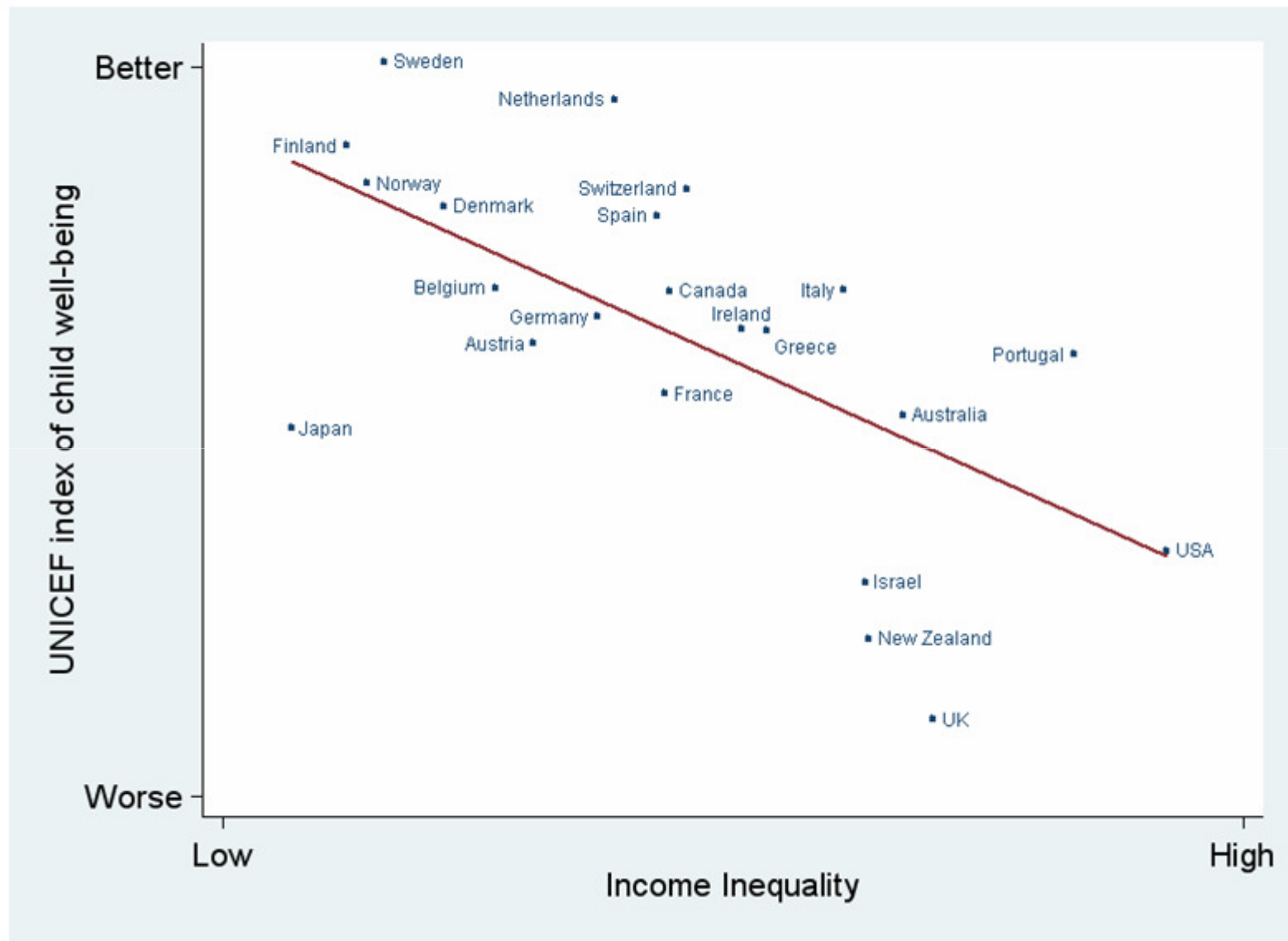


Life Expectancy is Longer in More Equal Rich Countries



Source: Wilkinson & Pickett, *The Spirit Level* (2009)

Child Well-being is Better in More Equal Rich Countries



Source: Wilkinson & Pickett, *The Spirit Level* (2009)

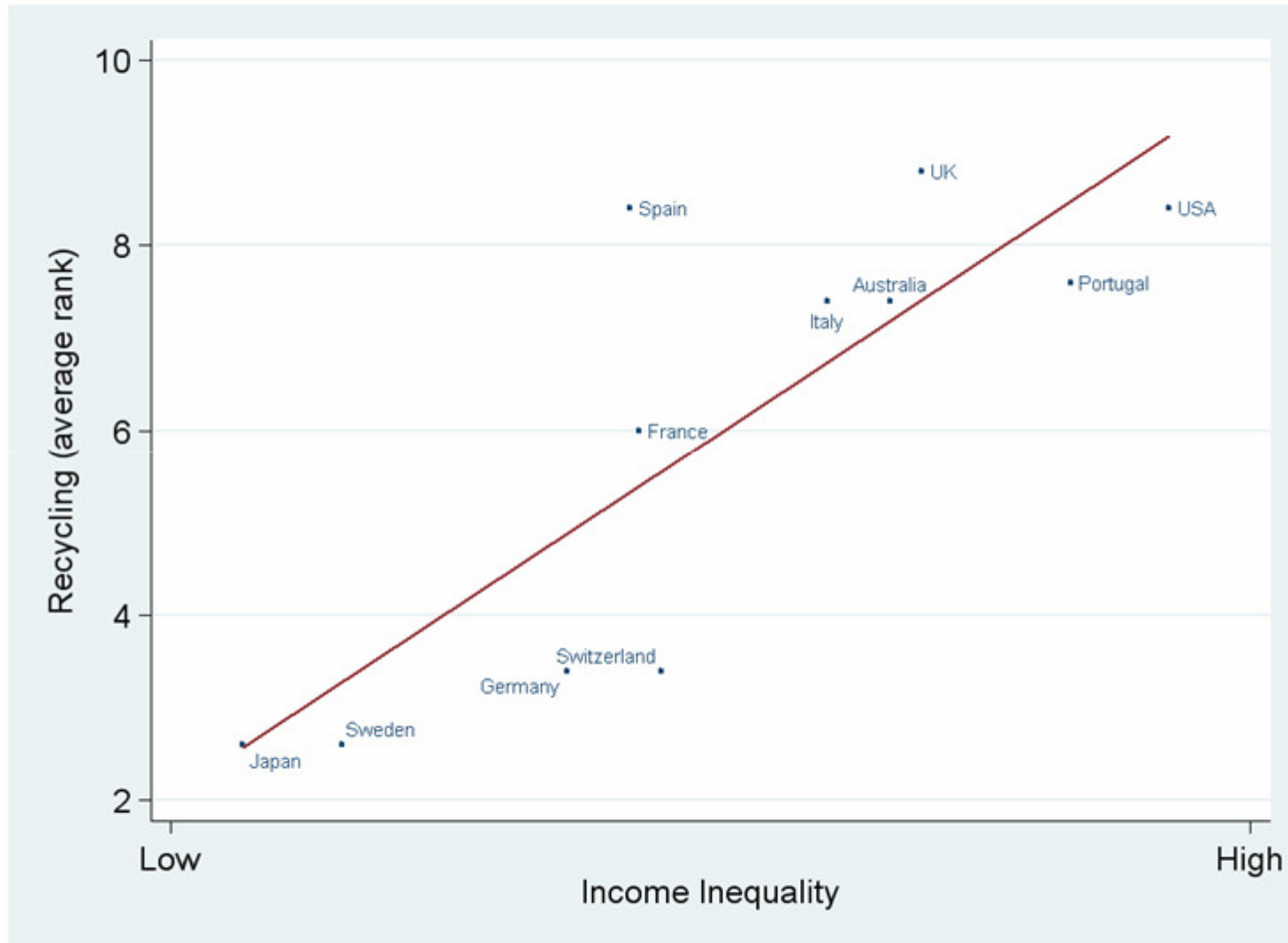
Sources of data for the Index of Health and Social problems

Component	International data	US state data
Trust	Percent of people who respond positively to the statement "most people can be trusted" 1999-2001 World Values Survey <i>Reverse-coded</i>	Percent of people who respond positively to the statement "most people can be trusted" 1999 General Social Survey <i>Reverse-coded</i>
Life expectancy	Life expectancy at birth for men and women 2004 United Nations Human Development Report <i>Reverse-coded</i>	Life expectancy at birth for men and women 2000 US Census Bureau, Population Division <i>Reverse-coded</i>
Infant mortality	Deaths in the first year of life per 1000 live births 2000 World Bank	Deaths in the first year of life per 1000 live births 2002 US National Center for Health Statistics
Obesity	Percentage of the population with BMI > 30, averaged for men and women 2002 International Obesity TaskForce	Percentage of the population with BMI > 30, averaged for men and women, 1999-2002 Estimates from Prof Ezzati, Harvard University, based on NHANES and BRFSS surveys
Mental health	Prevalence of mental illness 2001-2003 WHO	Average number of days in past month when mental health was not good 1993-2001, BRFSS
Education	Combined average of maths literacy and reading literacy scores of 15-year olds 2000 OECD PISA <i>Reverse-coded</i>	Combined average of maths and reading scores for 8+ graders 2003 US Department of Education, National Center for Education Statistics <i>Reverse coded</i>
Teenage birth rate	Births per 1000 women aged 15-19 years 1998 UNICEF	Births per 1000 women aged 15-19 years 2000 US National Vital Statistics
Homicides	Homicide rate per 100,000 Period average for 1990-2000 United Nations	Homicide rate per 100,000 1999 FBI
Imprisonment	Log of prisoners per 100,000 United Nations	Prisoners per 100,000 1997-8, US Department of Justice
Social mobility	Correlation between father and son's income 30-year period data from 8 cohort studies London School of Economics	N/A

More equal societies are more innovative



More Equal Countries Rank Better (1 is best) on Recycling



Source: Wilkinson & Pickett, *The Spirit Level* (2009)