

Something for Nothing

Challenging negative attitudes to people living in poverty



Volunteer DJ 'JP' presents his regular show at the Oxfam-supported Sunny Govan community radio station in Glasgow. 'Sunny G' gives local people a voice, helps volunteers gain skills and confidence, and challenges negative attitudes towards people living in poverty. © Andy Hall

People living in poverty in the UK make a vital contribution to the economy and society through unpaid caring and community work. But public attitudes prevail that people on low incomes – and particularly those on benefits – are 'scroungers' who are to blame for their own poverty. These attitudes are exacerbated by a widespread assumption that opportunities to earn a reasonable income are readily available.

***Something for Nothing* highlights the positive contribution made by people on low incomes, and explores the barriers which prevent many people from moving out of benefits and into employment. In doing so, we hope to encourage positive attitudes towards people in poverty; and to contribute to the creation of a climate which supports the bold policy measures needed to end UK poverty.**

The aim of this report

People experiencing poverty in the UK¹ deserve the understanding and support of the public, the media, and government. In reality, damaging negative attitudes and beliefs about people in poverty prevail. This isn't only alienating and demoralising for the individuals concerned – it poses a very real barrier to ending poverty in the UK. As long as more than a quarter of the British public think that people in poverty are to blame for their situation,² there will never be the widespread public support that is critical for the implementation of bold policy measures to end poverty, such as increases in wage and benefit levels or reform of the benefit system.

The Joseph Rowntree Foundation (JRF) report, *Understanding attitudes to tackling economic inequality* explores the reasons behind such negative public attitudes to people living in poverty. It concludes that negative attitudes are encouraged by the widespread belief that there are adequate opportunities to earn a reasonable income in the UK for those who are willing to take them up; and by the belief that benefit recipients do not, and will never, contribute to society. The report suggests that, 'an important route for challenging judgmental attitudes... would be to raise awareness of the barriers to opportunity faced by many people and to highlight the contributions that many of those on low incomes currently make to society and will make in future.'³

Something for Nothing responds to the JRF report, and aims to do as it suggests. We examine the source of negative attitudes to people in poverty, and the reinforcement of these attitudes by media and political discourse (p 6). We then discuss the nature and value of the positive contribution that people in poverty make to the UK economy and society through unpaid caring and community work (p 11). Finally, we explore the very real barriers which people on low incomes face in finding, and keeping, paid work – and the reasons why paid work is not a guaranteed route out of poverty (p 20). Our recommendations (p 26) call for politicians and the media to lead a sea change in public attitudes towards people living in poverty – by recognising and raising awareness of the fact that poverty is not the fault of the individual, and that many people living in poverty do make a significant contribution to society even if they are not in paid work.

Something for Nothing is based on, and gives voice to, ordinary people's experiences of what it's like to live in poverty, the barriers they face in taking up paid work, and the reasons why they are willing to care and volunteer despite the lack of support, recognition and reward.

1.

Background: Poverty in the UK

'How do I tell somebody not to come and visit me because I'd have to give you your tea and I haven't got anything in? Have you sat and eaten your tea in front of people and not offered them some? It's an awful feeling, especially when it's your grandchildren.'

Kathleen, Thornaby

'I want to be able to go by the sea, in a tent with my two Grandkids. Is that too much to ask? I know I can't afford it. Pie in the sky. I haven't had a holiday in 28 years because I can't afford it.'

Maureen, Thornaby

'A fortnight ago I had an interview, so I needed to get a new pair of shoes. The four pairs I've got have all got holes in them... I had to phone the Water Board and say, sorry I can't pay you this fortnight, I'll have to pay you in a fortnight's time.'

Robert, Thornaby

In the UK, one in five people lives in poverty. Oxfam believes it is morally wrong that, in a rich nation, millions of people are struggling to get by day to day.

So what does it mean to live in poverty in the UK? The widely accepted definition of poverty – and that used by the UK government and the EU – is having a household income which is 60 per cent or less of the average (median). Using this measure, in 2007/08 13.5 million people in the UK were living in poverty.⁴

However for the people behind this statistic it's not about indicators and the complex rationale behind them. It's about going without basics like a winter coat or shoes, turning the heating off as the only way of coping with rising fuel bills, and missing out on the pleasures that others take for granted – a meal out, a holiday, a school trip. It's also about vulnerability, in other words being unable to withstand even minor shocks or upsets that throw a carefully balanced budget off course. Something as apparently trivial as a broken oven, an unexpectedly large bill, or a few missed shifts at work through illness, can be the start of a spiral into debt and deepening poverty.

Oxfam's experience shows us that poverty is usually a result of circumstances beyond an individual's control. The causes are often structural: for example, if you are a woman, a British Asian, are disabled or come from a deprived area, you are more likely to live in poverty. It isn't possible to understand poverty in terms of money and material deprivation alone: its effects cut into every aspect of a person's life and life chances. A major feature of poverty is powerlessness – having no opportunity to get involved in decision-making, or to change things for the better at an individual, family or community level.

There are currently almost four million children in poverty in the UK, disadvantaged from the start of their lives in terms of health, housing, nutrition, education, and opportunities.⁵ The correlation between poverty and ill health, for example, is shocking: stark inequalities are found across a wide range of health indicators, from infant death to the risk of developing a mental illness. Infant deaths are 50 per cent more common in children born to parents with manual occupations.⁶ Two-fifths of adults aged 45-64 on below-average incomes have a limiting, long-standing illness – that's more than twice the rate for those on above-average incomes.⁷ Adults in the poorest fifth of the income distribution are twice as likely to be at risk of developing a mental illness as those on average incomes.⁸ And a child born in the poorer Calton area of Glasgow has a life expectancy of 54, while those born in the more affluent Lenzie North area of the same city have a life expectancy of 82.⁹

Many people fall into poverty when, for example, they lose a job, when a partner dies, or when they have to give up work to care for children or a sick relative. Hundreds of thousands of people are poor because their incomes – whether from paid work or inadequate benefits – simply don't cover the cost of living. Already-inadequate incomes are failing to increase in line with rising food and fuel costs, which have a disproportionate impact on the poorest people. And, as this report demonstrates (see pp 20-25), taking on paid work can be a risk rather than an opportunity for many people on low incomes.

Oxfam's work to change negative attitudes

'I've always been willing to speak about my poverty, and about the fact that I had an education and a standard of living but also how, all of a sudden, when you have a child or your circumstances change, or your relationship breaks down, you have to start again – and how difficult it is to get yourself on the career ladder again. I had to pawn my jewellery just to survive.'

Anne-Marie, Glasgow

As is fully explored in the next chapter, many people still don't believe that there is poverty at all in the UK – and where poverty is recognised to exist, those who are poor are often considered either 'deserving of help' because they didn't cause their own poverty (for example, children), or 'undeserving' because their poverty is perceived to be their own fault (for example, single working-age adults). People in poverty are often dismissed by the media as 'scroungers' or 'freeloaders', and politicians are also guilty of pandering to an unfair and inaccurate portrayal of their lives.

The stigma attached to being poor actually perpetuates poverty – the prejudice and discrimination which people in poverty encounter, whether in the workplace, the Jobcentre or on the street, can make it more difficult for them to get a job or promotion, get on a training course, claim the benefits they're entitled to, or to get their views taken into account by decision-makers. Negative attitudes also present a major barrier to change, because policies that could end poverty will only be implemented if there is significant public support.

Oxfam believes in a society in which people living in poverty are treated with dignity and respect – where the media, public and politicians recognise that poverty is not the fault of the individual, but a result of significant and complex barriers that people face. And where, because of the outrage this understanding creates, the government implements policies to end poverty in the UK.

'The way things are this year... with the credit crunch... everybody is going to suffer, especially those at the bottom of the pile. Day-to-day costs are just frightening now... the more basic things that years ago you never worried about paying for, like gas and electric.'

Bob, caretaker, Manchester

Oxfam works with the media to ensure that journalists can get hold of factual information about the reality of poverty in the UK, and we challenge negative and inaccurate reporting. We support community initiatives that empower people living in poverty to speak out on the issues that affect them, and raise awareness and understanding of poverty. And we bring this grassroots experience to policy makers to help them better understand and tackle the root causes of poverty. This report is part of our work to change negative attitudes to people living in poverty, by giving voice to ordinary people experiencing poverty, and highlighting the positive contribution they make to our society.

Case study 1

The Clydebank Independent Resource Centre

Oxfam supports the Clydebank Independent Resource Centre in Glasgow, which enables people on low incomes to find out about, and to claim, the support to which they are entitled. The centre helps thousands of local people every year; for example, in 2007 it helped 4,500 clients to gain more than £2.6m in unclaimed benefits and grants. It achieved this with just five staff and a dedicated group of volunteers.

Lesley is one of them. She says: 'I might be filling out forms for people, and having a better understanding of their problems because I've been through things myself,' she says. 'But at the end of the day, I'm getting to express myself, and open up. So it's not just helping them, it's helping me.'

Using the experiences of clients at Clydesdale and other community organisations, Oxfam is lobbying the government for a rethink of the tax and benefits system to reflect the reality of people's lives and the modern labour market.

Case study 2

A different approach to poverty, Thornaby on Tees

Thornaby on Tees contains some of the poorest wards in England. In 2004, Church Action on Poverty (CAP) and Oxfam began work together in the area to find out how people were coping with poverty, and what they felt could improve their livelihoods. CAP's 'Thrive' coalition of community activists worked with 24 households to build up a detailed picture of people's lives.

Using a holistic approach known as the 'Sustainable Livelihoods Approach' (see pp 23-24), the research revealed how people's resources or 'assets' (for example, their income, relationships, local services) interact with and impact on one another. The research demonstrated why poverty cannot only be considered – or addressed – in financial terms. It also highlighted that men's and women's different roles and responsibilities often result in very different experiences of poverty and 'getting by'.

A number of community-led initiatives are now being put into practice. These include a listening service that supports people dealing with mental ill health, and the 'Women of Thornaby' group, which is helping women to get their views taken into account by local service-providers. As one of the group's members says, 'It takes someone to start raising the community spirit when it's down. Enough little sparks make a fire.'

Many of the women and men who contributed to the original research in Thornaby, and are involved in the new services, are quoted in this report.

2.

Negative attitudes

'Everybody has a crisis in their life at some point, and nobody should be judged by taking something back. A lot of us put a lot more back into the country... with our voluntary work, with our ordinary work, than the government realises. Too much is made of people on benefits – "they do this, they do that". They don't. The majority of people on benefits need it because they've been through some crisis – divorce, death, sickness, whatever.'

Carole, who works at an Oxfam-supported advice centre in Oxford

Studies in recent years have shown three particularly pervasive beliefs or trends in relation to attitudes to poverty in the UK:

1. Many people do not think there is anyone in 'real' poverty in the UK.

The concept of relative poverty often works against poor people, because 'real poverty' is understood in terms of images of starving children in developing countries. In 2003, 41 per cent of those polled in the British Social Attitudes survey thought there was 'very little real poverty' in the UK,¹⁰ while 90 per cent agreed with the statement that someone in Britain was in poverty only 'if they had not got enough to eat and live without getting into debt'.¹¹ This was reflected in many of the responses given by a random selection of people interviewed for a short Oxfam film called *Are you Bothered?*,¹² for example: 'I don't think there's poverty in the UK'; 'I don't think poverty in this country exists beyond the 18th century'; 'You can't call it too much poverty because there's help nowadays.' Many of those interviewed only identified particular groups experiencing hardship as being poor – such as homeless people, asylum seekers and 'children in poor families'.

2. Poverty in the UK is widely perceived to be the fault of the individual.

According to a Eurobarometer survey comparing attitudes to poverty across European countries, 50 per cent of UK respondents think that poverty is acquired rather than inherited¹³ – ie. that people become poor having known a better way of life. Forty-six per cent believe that people become poor due to personal rather than social causes (either through laziness or bad luck),¹⁴ 35 per cent believe poverty is acquired through a lack of education, and 31 per cent due to alcoholism or addiction.¹⁵ The British Social Attitudes survey found that 28 per cent of people think that poverty 'reflects laziness or lack of will power on the part of those affected'.¹⁶

Participants in focus groups run by the Fabian Commission on Life Chances and Child Poverty, 'saw material poverty as being fundamentally about attitudes – a matter of parents not trying hard enough, rather than not having enough. Parents [in poverty] were easily stereotyped as lazy and wasteful – as spending their time in front

'There is a split between the people who have money and the people who haven't... I don't think that anybody who has enough money, whereby they can live comfortably and save a small amount, has any respect whatsoever for the people in poverty.'

Kathleen, Thornaby

'I think there is a huge divide... It's actually [people] right up to the middle class that are struggling – and then you've got this other bit, they're fine and untouched. I say untouched because they don't understand... [They say] "well people on benefits get things paid for them so they're fine," or, "they shouldn't have got themselves into debt."'

Carole, advice centre worker, Oxford

of the television and spending what money they have on drugs, alcohol, tobacco and gambling.'¹⁷ These harsh, judgmental attitudes are reflected in the continuing segregation of the poor into 'deserving' and 'undeserving' categories. As the Fabian Commission found, 'certain groups such as children and elderly people attract much stronger public support for welfare spending, whereas adults without children attract relatively little.'¹⁸ This has supported the Labour government's approach of publicly prioritising policies to end child and pensioner poverty, while quietly following policies that have resulted in single adults of working age now being the group most at risk of poverty.¹⁹

3. Attitudes towards benefits recipients are increasingly harsh.

Research has shown that over recent years there has been growing 'antagonism to social security benefits'.²⁰ John Hills charted a correspondence, over the 1990s, between a decline in public understanding that people do experience poverty in the UK, and a decline in support for wealth redistribution and increased benefit levels.

When the welfare state was established in the mid- to late-1940s, there was general support for the idea of a cradle-to-grave support system provided as a right. But a lot has changed in the last 60 years, including a shift to understanding the welfare state as something 'that is there to help those who help themselves. This has translated neatly into the "rights and responsibilities" agenda, which declares that the right to support is conditional on individuals taking responsibility for their own circumstances.'²¹ Polling by the Department for Work and Pensions in 2008 showed significant support for the stringent welfare reforms proposed in the then government's Green Paper, *No one written off – reforming welfare to reward responsibility*. According to the survey, at least eight in ten respondents agreed slightly or strongly with the policies set out in the Green Paper.²² The policy with the second-highest level of support (90 per cent) was the requirement that unemployed drug-users 'tackle their problems or face a tougher sanctions regime', and that with the third-highest level of support (87 per cent) was the requirement for lone parents with very young children to go on back-to-work training and work experience, or face sanctions.²³

Public attitudes to poverty: a complex picture

Of course, public attitudes aren't simply or only negative: the real picture is more complicated. The previous Labour government's own research into attitudes to welfare reform revealed complex and often sympathetic attitudes, including concerns about the fairness of reforms and their implementation, and a need for reassurance that reforms would not negatively impact on [respondents] themselves or on wider society.²⁴ Attitudes to inequality are a case in point. According to the 2003 British Social Attitudes survey, 'A clear majority of the British public sees income inequalities as too large, and believes they should be reduced. A considerable and increasing majority of those interviewed... (now about 80 per cent) say that "the gap between those with high and low incomes is too wide".'²⁵ However, *tackling* inequality is another matter, and attitudes towards this are 'marked by complexity, ambiguity and apparent contradictions'.²⁶

Recent research carried out by the Joseph Rowntree Foundation (JRF), which involved members of the public in calculating the income a household requires to meet both its material and social needs, came up with higher income standards than are provided by either benefits or the minimum wage. These 'Minimum Income Standards' were agreed using a consensual budget standards methodology as well as previously agreed budget standards. It was found that: 'These budgets require a wage above the minimum wage of £5.73 an hour for most family types... Benefits fall well short of providing a minimum acceptable income.'²⁷

Understanding attitudes to tackling economic inequality,²⁸ published by the JRF in June 2009, examines the values and beliefs which lie behind these negative attitudes towards people living in poverty. The research highlighted two especially important factors driving these attitudes, namely:

- 'a widespread belief in the ready availability of opportunity. Sixty-nine per cent of people in the sample interviewed agreed that "there is enough opportunity for virtually everyone to get on in life if they really want to. It comes down to the individual and how much you are motivated," (14 per cent disagreed); and
- 'a widespread belief that benefit recipients will not go on to make a contribution back to society. Only 25 per cent of the sample agreed that "Most people who receive benefits now will make a contribution back to society in the future, through activities like employment or caring for others" (46 per cent disagreed).'²⁹

Something for Nothing comes therefore as a response to the JRF's report and a contribution to changing public attitudes, by presenting evidence about the vital unpaid work carried out by many people living in poverty, as well as the barriers to work and opportunity that they face.

Reinforcing negative stereotypes

'I think the press do absolutely disgusting things to people on benefits. You never hear of any good things – it's all "benefit fraud, scroungers." Yet you can go to any community in Britain and you'll find people on benefits doing great work, helping people in their community. I'd like to see people on benefits recognised for the good things they do. And I'd like to see benefits increased to recognise that.'

Ian, volunteer, Anti-Poverty Network Cymru

1. *The role of the media*

At worst, negative attitudes are supported by media misrepresentation of people living on low incomes; at best, they go unchallenged by the dominant media discourse. The Fabian Commission reported that: 'One of the strongest findings... was that our participants had developed their views about poverty and disadvantage principally from sources such as reality television [as well as] anecdotal stories and their own experience of growing up. They felt that they had little access to reliable information about these issues in the media or from public sources.'³⁰

Starting from the premise that our attitudes are shaped by how closely we come into contact with poverty and representations of it, researchers from Caledonian University set out to investigate whether people are affected by the second-hand representations of poverty that they received from the media.³¹ They concluded that, while it is difficult to prove that media representations directly influence people's attitudes to poverty, they do play a part. The researchers found that focus group participants were often sceptical, and even did not trust the media, but nonetheless 'tend to adapt information [received through the media] in a way that is consistent with current understanding'.³² And: 'A low level of trust in the media does not mean that people are not influenced by it. They might perhaps unknowingly be expressing beliefs that reflect cumulative exposure to certain representations and ideas.'³³

If media coverage of poverty plays a role in either forming or supporting public attitudes to poverty, the nature of that coverage is important. Sympathetic coverage is that which conveys the complex reality of the structural causes of poverty, and which involves people with experience of poverty. However, this type of reporting is difficult for longer feature articles and programmes, and is nigh-on impossible in short news pieces.³⁴ Poverty in the UK is widely understood to be under-reported, often featuring as background to a story where the focus is on a particular issue that may have arisen as a result of poverty. People on low incomes are often not willing (or are not asked) to speak for themselves, so programme-makers and journalists tend to rely on stock, stereotypical imagery.

2. The language of politics

'The government doesn't appreciate the time we put in. They always talk about bad people in our communities, but I don't think they appreciate the good.'

Constance, volunteer, Cardiff

Negative public attitudes are also supported by the dominant political discourse. Fundamentally, there is a bi-partisan support for a tough approach to welfare – promoted using language which reinforces negative assumptions that people who are out of work, on benefits and living in poverty, are lazy.

For example, in 2005, when launching the drive to reduce benefits payments, including incapacity benefits, the then Work and Pensions Secretary David Blunkett talked about work as the best way to solve 'the challenge of inactivity'.³⁵ The recent Labour government (in power until May 2010) has been keen to talk about work as the best route out of poverty, using phrases such as 'hard-working families' which appear positive, but which risk implying a divide between the 'deserving' and 'undeserving' poor – underpinned by an assumption that paid work is the only work which counts. The language of the Conservative Party, meanwhile, serves to reinforce this messaging. In 2008, Conservative leader David Cameron, implied during a speech made in Glasgow that people on low incomes are responsible for their own plight: 'Of course circumstances – where you are born, your neighbourhood, your school and the choices your parents make – have a huge impact. But social problems are often the consequences of the choices that people make.'³⁶ The challenge to those in or near power is to heed the voices in the political debate which humanise rather than demonise people on benefits – for example, the Centre for Social Justice, whose *Dynamic Benefits* report³⁷ focuses on the structural problems in the tax and benefits systems which mean that, for many people, taking work is not a financially viable proposition.

Many people living on low incomes feel that the Labour government's benefit fraud campaign underlined its negative attitudes towards people claiming benefits, depicting them as untrustworthy. They also thought that benefit fraud receives a disproportionate amount of attention – and indeed, the figures seem to bear this out. In 2006, the total lost to fraud and error was estimated at £2.7bn, but up to 60 per cent of this was thought to be accounted for by 'official errors'.³⁸ In November 2008, the government released figures showing that £2.6bn worth of benefits had been lost to fraud and error in the previous financial year, but the figures didn't distinguish between overpayments due to error, and overpayments due to fraudulent claims. This didn't prevent the Department for Work and Pensions spending millions on high profile anti-fraud campaigns, targeting claimants and encouraging the public effectively to spy on those claiming benefits. The figures on fraud and error pale in comparison with the costs of tax evasion and avoidance by wealthy individuals and corporations: the TUC estimated in 2008 that £25bn is lost annually in tax avoidance, with a further £8bn lost through tax planning by wealthy individuals.³⁹

3.

The positive contribution made by people in poverty

Public attitudes towards people living in poverty, or on benefits, which see them as taking from society and never giving, are unfounded and unfair. They ignore the fact that many people on benefits will go on to do paid work in future (and thus pay tax and contribute to the economy and society in many ways). They also ignore the fact that many people cannot work because of ill health, caring responsibilities, or the fact that work does not pay them enough to live on. Crucially, they ignore the huge contribution which people in poverty make through unpaid, largely invisible, work in their homes and communities.

In the UK, the 2007 employment rate was around 74 per cent of the working-age population – one of the highest rates in Europe.⁴⁰ Those not in paid work include students, the elderly, the sick and disabled, non-working mothers and fathers, unemployed people, unpaid carers, and volunteers. Many individuals in these groups contribute a large amount of unpaid work in their homes and communities. And many of those who are working for wages spend a lot of time outside paid work busy in unpaid work – caring, cleaning, providing and preparing food, participating in community activities, and more.

Our economic system is based on measuring and valuing work, but it only measures *paid* work. As far as GDP and GNP are concerned, unpaid work doesn't count. In recent years, the Labour government went some way to acknowledging – and seeking to quantify – the unpaid work that people in the UK contribute within their communities and homes. In 2000, the Office for National Statistics (ONS) produced a Household Satellite Account (HSA), which measured unpaid household production in the UK, and valued it at £877 billion.⁴¹

Academic research has helped to clarify the nature of unpaid work, and how it differs for different groups of people. Tania Burchardt's study, *Time and Income Poverty*, found a clear link between time poverty and income poverty – ie. that people on low incomes have less free time (after fulfilling basic needs and caring responsibilities) than people on higher incomes. While those on higher incomes are able to buy services, people on low incomes carry out this work themselves, unpaid. And because caring responsibilities take up so much time, the picture is highly gendered, with low-income women having less free time than men. The study also found that investing time in unpaid work has a negative effect on earning potential, as 'spending a higher proportion of your time in unpaid activities is likely to create a higher risk of income poverty'.⁴²

1. Caring

'Everybody likes their independence and on this much money I don't have it. If someone had to come in to do what I do, they [the government] would have to pay them. And they'd pay them more than £50 a week.'

Eileen, carer, London

Caring is probably the most obvious example of unpaid work that goes unacknowledged in national economic measures – both in terms of the value to the economy of the care provided for 'free' by women and men, and the personal cost to carers in lost income because caring stops them doing paid work or better-paid work.

At the time of writing, it has been acknowledged that we are nearing a point of crisis in terms of care provision. According to the latest official estimates, the number of people aged over 85 is set to double in the next 20 years; the number aged over 100 will quadruple; and 1.7 million more people will need care and support.⁴³ Meanwhile, the ratio of people aged 65+ to those aged 20-64 is projected to increase from 27 per cent to 48 per cent by 2050.⁴⁴ The cost of this demographic shift could be 'a £6 billion "funding gap" in social care'.⁴⁵

The hidden care crisis

But what these figures hide is that there is another crisis going on right now, for the thousands of people on low incomes who care because they are poor. Caring for others comprises a substantial part of the unpaid work done by people on low incomes, as shown by recent time-use and household work production studies.^{46 47} Of course people become carers not just for financial reasons, but also because they feel they can give the best level of support to their loved partner, parent, or other relative. But those on low and even average incomes have little choice; they simply can't afford to pay for professional care services. People on low incomes are also more likely than others to become carers because of the high rate of illness and disability among people in poverty.^{48 49} For example, two-fifths of adults aged 45-64 on below-average incomes have a limiting, long-standing illness. This is more than twice the rate for those on above-average incomes.⁵⁰

Joan, a pensioner living in Hackney, East London, cares full time for her husband and grown-up son who are both disabled.

'I get about £28 a week in Carer's Allowance. I mean, you can't even buy a coke! It's ridiculous. We have to pay our bills, everything. Our only luxury is the telly. And then we have jigsaws. We don't drink, we don't smoke, we don't go anywhere. I haven't got money to throw away, but we get along... Brown says he recognises the work that we do, and he promised to get someone to look into it, and make sure it gets sorted out. But nothing's happened.

'I don't regret it – I do it because I love them. But if you think about it – I get £29 a week. That's £4 a day. And I'm basically on duty 24 hours a day. If he's up all night with his asthma, I'm up with him. It's 17p an hour.'

The most recent survey of unpaid caring was carried out by Carers UK in 2007. This estimated the value of unpaid care of adults in the UK at about £87bn per year.⁵¹ This figure was calculated by estimating the average hours of care provided per week, by adults for adults, in the UK

(based on census data) and 'charging' it at a rate of £14.50 per hour – an amount based on the NHS's unit cost for adults receiving home care.

Eileen was training to work as a paid carer, but had to stop when her mother fell ill and needed full-time care in her home.

'I was always coming round, getting my mum's shopping and doing bits and pieces. But after mum fell ill she couldn't go out or even stand up for long enough to make a cup of tea, so I moved in. I couldn't finish the course, because I couldn't do the residential training.

'I don't think anyone knows what we're doing. You don't get a social life really, because it's continuous. I'm on duty 24/7. Alright, I can run to the shops and back, but if my friends say "do you want to come down to such-and-such?" I've got to find someone to come in and keep an eye on mum. Other carers know what we're doing. But most people don't understand.

'Because I've done this carers' course, I could've gone out there, got a job in the home, or a hospital... and I could say to them – right, I'm going to go get a job, but who's going to care for my mum? And then they'd have to send someone in, and it'd cost them a lot more, and they're not going to do it 24/7 like I do.'

Caring, work and money

Not only do people care because they are poor – many also stay poor because they care. Carers UK⁵² found that more than half of those who care have given up work to do so, 'while one in five have [had] to reduce the hours they worked'.⁵³ Carers who manage to combine caring with paid employment are likely to be in lower-paid work; 33 per cent are, or have been, in debt as a result of caring – and are more likely to be in debt than others in the same age group;⁵⁴ 72 per cent say that their caring responsibilities affect how much they could earn; 44 per cent have no savings at all; and 32 per cent have savings of under £1,500.⁵⁵

As the House of Commons Work and Pensions Committee recognised in its investigation into unpaid caregiving, the majority of informal caregivers are of working age (71 per cent),⁵⁶ thus making their removal from the labour market both a cost as well as a benefit to society.

'The 11 years I looked after my parents I went through all my savings... [I] have been constantly trying to get back into a situation where I'm in a reasonable financial position.'

Robert, Thornaby

'I didn't want to give up work. I was having a second career after working as a market trader. I was training to manage a Care Home. I didn't finish the course because I had to stop work to look after my husband and my son. I don't go out. I don't do anything but look after them.

'I would love to go to work to meet people, to talk to them, to have my brain active. Who's going to look after them? Do I just put them in a home with somebody else looking after them? It would cost them [the government] a lot more money... so, Mr Brown, if you can find a job for me that earns me more than £25 a week, and still have somebody to look after my husband and son, do it for me as I'd love it.'

Kathleen, Thornaby

Carer's Allowance

The main benefit for carers is Carer's Allowance. It is an 'income replacement benefit', which means that it is intended to make up for the loss of income that a person experiences because they have to care for someone. Eligibility conditions for the benefit are tough, with a requirement to care for over 35 hours a week, not to be in full-time education, and to earn £95 a week or less. As a result, only 883,000 (14.7 per cent) of the six million unpaid carers in the UK qualify for Carer's Allowance.

Carer's Allowance is paid at a very low level: £53.10 per week. It amounts to a wage of £1.52 per hour (for those doing the minimum 35 hours per week). Carer's Allowance is reduced pound for pound by the amount of other certain benefits claimed – including state pension – making it impossible for carers to supplement their minimal income.⁵⁷

The impact on a carer's income lasts well beyond the weeks, months or years during which she or he is providing care. Young adults who care face barriers to training and education, and are therefore more likely to end up in low-paid work or unemployed. These barriers include a lack of flexibility in training provision, difficulty in accessing training schemes at appropriate times, and the low level and limited types of training available.

Using the 'lifecycle' approach to the gender pay gap, it is clear that caring may permanently impair a carer's ability to sustain herself and her family,⁵⁸ in the same way as analyses of women's earnings over their lifetime show clearly that mothers pay a lifelong penalty for spending time earning lower incomes while caring for children, even when other factors affecting women's pay are taken into account.

The current, work-focused approach to ending poverty fails to acknowledge the economic value and personal cost of the unpaid caring that is currently undertaken by millions of people on low incomes.

Susan cares for her disabled husband and her mother who has dementia. She combined caring with a part-time job, until she became ill herself.

'I think Carer's Allowance being an add-on, and being so little, reflects the way that politicians see carers. They don't appreciate us at all. For example, if I'd had a baby I'd have maternity leave, time off, all the rest of it. But there doesn't seem to be the same for someone doing caring. If you're caring for someone you have to make a choice – it's very hard to have a career and do caring.

'I don't feel I had a choice. It was my husband and my mum. I had to. If I had proper financial recognition, if I had the money, I could take carers' breaks, go away for long weekends, get refreshed. If I was working in a residential home as a carer, I'd have time off, sick leave, weekends, evenings, and I'd be being paid. Being a carer and constantly having to knock on doors, having to fight for things you're entitled to – that's exhausting.'

Inadequate benefits, the lifetime impact of caring on carers' total incomes, the combination of government pressure to work and its failure to understand the challenges of mixing work and caring, together amount to structural discrimination against carers – people working extremely hard to the economic and social benefit of the UK.

Many carers also experience discrimination and stigmatisation that is compounded by often-negative institutional attitudes. Carers and carers' organisations report that Jobcentre Plus staff are inadequately informed about the needs of, and services available to, carers, and are unable to provide a holistic support package (for example, there is no New Deal for carers). Carers have reported discriminatory behaviour, for example: 'The attitudes of staff can be nasty, they just make assumptions that carers don't want to work.'⁵⁹ Carers' organisations repeatedly find themselves supporting carers who have been turned away by advisors, having been told that there is no point in them seeking work, nor help for them to do so.⁶⁰

As we have seen, many people living in poverty make a significant contribution to society and the economy through caring – a contribution which may actually trap them in poverty. Yet general awareness by the public and politicians of the amount of caring done by people on low incomes, and the impact this has on their wellbeing and livelihoods, is extremely low. Oxfam is therefore calling for more positive recognition of the contribution made by people living in poverty through caring, as well as concrete policies to recognise and reward such unpaid work.

2. Building communities: volunteering and helping out

'I started doing it all [volunteering] because there was nothing on the estate before – and I loved to see the difference it made to people's lives. So many people have gone on to do further education, gain confidence, go on courses they'd never have thought of [doing] before. It's been great.'

'A little recognition would go a long way. I think the government, and the local government, don't recognise volunteers. There are thousands, and when you add up all the volunteer hours, we're saving the government a hell of a lot of money.'

Anne, volunteer at an Oxfam-supported community centre in Llandudno.

Less obvious than caring – and more difficult to quantify – is the massive contribution made by people living in poverty who give up their time to improve the lives of others in their communities. One of the reasons this is difficult to quantify is that the national performance indicator on volunteering, developed by the Office of the Third Sector,⁶¹ only recognises formal volunteering. It defines this as: 'giving unpaid help through groups, clubs or organisations which support social, environmental, cultural or sporting objectives'.⁶² This narrow

definition results in a lack of recognition of the unpaid community-building work that poor people in the UK do day to day, reinforcing predominating negative attitudes towards people on low incomes in general, and those on benefits in particular.

‘Maintaining the social fabric’

In fact, research has shown that there is more ‘mutual aid’ work done in low-income communities than in affluent communities. One survey of household work practices found 6.8 per cent of exchanges are unpaid in affluent suburbs against 15.6 per cent in lower-income neighbourhoods.⁶³ This supports other indications that people on low incomes are more likely to be engaged in informal rather than formal volunteering. The 2005 Citizenship Survey Active Communities report defines informal volunteering as ‘giving unpaid help as an individual to someone who is not a relative’⁶⁴ – a much wider definition than the government’s, that includes many of the activities undertaken by people on low incomes as part of daily life. It found that, while people with few formal educational qualifications were less likely to volunteer overall, they showed a strong preference for informal over formal volunteering.

Similarly, as Colin Williams reports, the General Household Survey of 2000 found that ‘although just 7 per cent of unemployed respondents... had been actively involved in a local organisation in the past three years, 67 per cent had done a favour for a neighbour in the previous six months,’ and: ‘the culture of community involvement is [clearly] more oriented towards one-to-one aid in deprived wards.’⁶⁵ This chimes with the conclusion of the Institute for Volunteering Research (IVR) that ‘at risk groups were more likely to start volunteering... because they saw a need in the community.’⁶⁶

As the 2005 Citizenship Survey found: ‘The most common type of help given by those who participated in informal voluntary activities at least once a month was giving advice.’ The help given also included: ‘transporting or escorting someone, for example, to hospital; keeping in touch with someone who had difficulty getting about; looking after a property or pet for someone who was away; and babysitting or caring for children,’ as well as cooking, cleaning, laundry, doing shopping, collecting pensions, writing letters and filling in forms, decorating and DIY.⁶⁷ This is reinforced by the experience of people in Black and Minority Ethnic communities, interviewed by IVR, for whom ‘volunteering is often predominately seen to be informal... The people involved do not always describe what they do as “volunteering” – indeed, some languages do not have a word for it. People are simply doing what comes naturally.’⁶⁸

According to nfpSynergy’s report, *The 21st Century Volunteer*, the lack of evidence of volunteers on low incomes does not necessarily mean that that this group does not volunteer; rather, ‘it may be that those in the AB and C1 social groups are more likely to class their community contributions as “volunteering”.’⁶⁹ It continues: ‘It could also be symptomatic of the way volunteers are depicted in British life... as

well-to-do do-gooders. Perhaps those with a lower socio-economic status are simply not confident that their skills would be valued by the voluntary sector.’⁷⁰

Whether or not they call themselves volunteers (or fulfill government criteria for a volunteer), people on low incomes who help others in their community, for no financial gain, play a vital role in the regeneration of some of the UK’s most deprived areas and improve the lives of some of its most vulnerable people. This is what Susan Himmelweit calls ‘maintenance of the social fabric’; it keeps a community functioning – it is what we think of when we use the word ‘community’.⁷¹

Sandy volunteers with the Sunny Govan community radio station in Glasgow. Because he has cerebral palsy, Sandy needs the kind of flexibility that he wouldn’t find easily in a paid job.

‘The amount of work I do a week varies. I could do five days a week but it could be as little as three. By doing voluntary work you’re putting something back into the community. People might think we are benefit scroungers... it’s a shame that people don’t recognise that while we might not be doing permanent [paid] work, we are doing important voluntary work.

‘Sunny Govan opens up so many doors – the barriers we face in normal life just seem to be pushed out. We are seen as contributors. The attitude is “what can we get him to do?” rather than, “oh he’s got a disability, what can he do?” It’s a constant learning curve. When they say that Sunny Govan is a learning and development organisation, for me it very much is.

‘I think the government should recognise volunteering for organisations like Sunny Govan. A lot of work goes on here – there is a big contribution. But unless people see you actually doing stuff they think you are doing nothing all day.’

‘When you’re supporting a family, it’s so important to have experienced something like that yourself, like I have. We work with social workers – they don’t understand poverty in this country and the effect it has. But we know about it, because we’ve experienced it.’

Séamus, volunteer, London

‘I think it’s really important for women who have been through things themselves to be able to pass information on and help others. We’re not professionals; we’re people who have been there and done it and wear the T-shirt.’

Anne-Marie, community worker, Glasgow

The value of experience

People on low incomes have a particularly important role to play as volunteers in their community. As well as developing their own skills and confidence they can bring local knowledge and personal experience of living in poverty into their role. Many of the people we spoke to in the research for this report talked about how important this was in their work supporting individuals and families.

Volunteers on low incomes are also able to use their experience to bring about change at a wider level. Taking homelessness services as an example, the rise of ‘user involvement’ means that homeless people are increasingly involved in volunteering. Athol Halle, Chief Executive of Groundswell UK,⁷² explains the value of this: ‘Volunteers who have experienced homelessness know how the system doesn’t work, and how it leaves a person vulnerable and marginalised. Enabling people who have been homeless to volunteer with a homelessness project gives that person a chance to turn around a negative experience. But it also enables the service to improve, because... knowing how the system fails people makes it possible to work out how the system needs to change.’

Sara is a volunteer DJ on the Llandudno community radio's breakfast show. She would love to get a paid job, but would risk losing her family home if she came off benefits.

'My kids are why I'm not working. I went through a terrible divorce. I own my house, and I do get government help [benefits], but I'm in that sort of stuck situation where I'd have to get into a very high-paid job to be able to afford to stay where I am, even though it would cost the government more if I was in rented accommodation.

'I thought it was time for me to get my confidence back and do something. I still get people who say, "What do you mean you do that every morning and you don't get paid?" They can't grasp that you are doing it because you love it. You're getting out of the house and you're giving something back to the community.

'Hopefully this will lead to some employment because I really, really like it. I'm not a particularly clever person, I haven't got any qualifications, I've always worked for my family, and I came to a point where I thought, what am I going to do? Then I came across this, and it's given me tremendous self-confidence. There are thousands of volunteers doing an awful lot. Some places wouldn't survive without us. Because you don't get paid you feel more confident – you don't feel you have to be spot on.'

Paying the price for volunteering

Given the economic and social value of this work to local communities – and the value of volunteering in terms of building an individual's skills and experience – it seems obvious that Jobcentres and welfare-to-work policies should encourage and enable volunteering, and view it as a step towards paid employment. In reality, there are many problems with the way that benefits and volunteering interact – or don't – and people on benefits can effectively end up being punished rather than rewarded for their contribution.

'When I was volunteering I wasn't working – it was a case of, do I go out and get a job that I don't want? Or do I knuckle down and train and learn? It was every day, a six-day week, Monday to Saturday. I didn't get any benefits or income. A lot of people look down on volunteers, as opposed to thinking they're really valuable – we're doing jobs that need to be done.'

Terry, former volunteer, London

The basic rules of volunteering while on benefits are simple – in theory. Individuals on benefits can undertake as much voluntary work as they like, for as long as they like (and even be paid 'reasonable expenses'), provided they are actively seeking work every day and are willing to take up an offer of paid employment within seven days.⁷³ These regulations, however, are not widely understood – by benefits advisors, claimants, or community organisations – nor applied consistently. This presents a significant barrier to people on benefits who want to volunteer. Many hide their volunteering from the Jobcentre, or miss out on the opportunity of fixed-length volunteer placements, for fear of losing their benefits.⁷⁴ There have been moves to relax the rules for interns on recognised internships, but these are usually only available to graduates, and are not generally feasible for small community organisations where low-income volunteers are most likely to get involved.

Although benefits claimants lose nothing from their benefits if they claim only expenses, those who want to undertake part-time temporary work of just a few hours a week within their communities, cannot do this and remain on benefits. The level of the earnings disregard – the

amount a claimant can earn without losing any of their benefits – is very low; for Jobseeker’s Allowance it is currently set at £5 per week, which amounts to less than one hour’s work paid at the minimum wage. After this, claimants lose pound-for-pound what they earn, and this (combined with the bureaucracy of the benefits system) can throw benefits claims into chaos, leading to a severe loss of income.

The case for a Community Allowance

CREATE is a consortium of organisations which have come together to try to establish a ‘Community Allowance’ within the benefits system. They make the case that the current inflexibility of the system is a problem not just for individuals, but also for communities in need of development and regeneration. A lot of work – such as a few hours a week in a community drop-in centre – could be done by local volunteers who are paid a small amount for their efforts. CREATE estimates that 80-150 part-time (four hours per week) jobs could be created on any estate in the UK through the introduction of a Community Allowance, which would enable this flexibility.⁷⁵ The gains for the community, and the gains for individuals in terms of preparing for the world of work, are potentially enormous.

Community Activist and volunteer Lisa Banks was invited to become a parish councillor; but when she declared her small allowance of just £300 per year to the Jobcentre, she had all her benefits cut, faced eviction, and ended up in debt to a high-interest money lender in order to have enough to live on while she waited for her benefits to get sorted out.

Lisa, a supporter of the Community Allowance, is critical of the fact that a person must work 16 hours or more to qualify for working tax credits:

‘Sixteen hours is a big leap for someone who’s not been doing anything for years. If they were happy to just do two hours, four hours, six hours, that’s great and we should welcome that, embrace that – not shut the door on it. Not say, “if you’re not doing 16 hours it’s not happening”. I think there needs to be a bit more flexibility.’⁷⁶

As Lisa’s experience demonstrates, the current benefits system simply doesn’t allow people to gain work experience and supplement their minimal income through short-term, low-paid work in their community. This and other weaknesses in the tax and benefits system mean that, for many people, moving from benefits into formal employment is not a viable proposition. The next chapter explains in more detail why people are not always ‘better off in work’.

The inspiring stories of the volunteers quoted above provide a snapshot of the enormous contributions that many people living on low incomes make to their communities, whether it is helping out a neighbour or running a youth club. We hope these stories will contribute to challenging some of the negative attitudes to people living in poverty, and strengthen Oxfam’s calls for policies which give greater recognition and reward to people doing unpaid work such as caring and volunteering.

4.

Barriers to work and opportunity

Stacy is a working mother of four children aged between six and 18. Like many working parents on low incomes, she relies on family members for childcare.

'The money I am on is not enough to live on. I work part time at the moment – I'm doing 20 hours a week and I'm going up to 25 hours. I get tax credit, but because my hours are going up, everything extra I earn is taken off me in tax. I'm doing my extra five hours a week for £20 – and that's before tax. I think to myself, why? But sitting at home does my head in... for me, I want to work.

'Bringing up kids is hard because of the money that I'm on. If I gave up work, I would get my housing benefit, council tax, uniform allowance... I'd get the kids' school dinners paid for me. But because I work, I pay everything. I rely on my mum and my daughter for childcare.

'Some months I think, if I could pay a bit less on my rent, I'd be better off this month. But I don't dare go down that route, because I don't want to get into debt. I'd rather go without a meal. That's why I pay the children's school dinners upfront, because I know at least they have got a hot meal inside them every single day. With the dinners paid, I can always make do.'

There is a widely-held assumption that, for those who want them, there are plenty of opportunities to get into and stay in employment, and earn a reasonable income.⁷⁷ This clearly contributes to negative attitudes towards people on benefits and low-incomes, and the belief that they could get a job if they tried hard enough. In reality, the financial returns from work are negligible for large numbers of people. And in many cases, when the additional costs of work are taken into account, people actually lose out by working or by working more hours. It is clear that, contrary to the widespread rhetoric to that effect, work is not always a route out of poverty.

The reality of the modern labour market

The nature of the modern labour market helps to exclude poor people systematically from the benefits of a rich society. A large number of jobs that are available – particularly in poor areas – are low-paid, short-term, part-time, unreliable or insecure. Unable to access the upper echelons of the labour market, and unsupported by the benefit system to build their way up, many people in poverty are forced outside the mainstream economy to try to make better livelihoods for themselves – and are often derided by society as 'benefit cheats' for doing so.

Prior to the onset of recession, vulnerability already extended across vast swathes of society: just under half the population lived in poverty for at least one of the ten, mostly 'boom' years between 1991 and 2000.⁷⁸ Even in the boom years, a high proportion of claimants of Jobseeker's

Allowance (JSA) had previously claimed recently: around half of men and one-third of women making a new claim for JSA had claimed within the previous six months.⁷⁹ Of course, since then, unemployment has risen enormously.⁸⁰

The benefit system as currently constituted – and in recent years, the tax credits system also – is systemically incapable of coping with the nature of the modern labour market, and assumes that people leave benefits to go into stable, full-time, long-term employment. In terms of structure, these failings fall into two main categories: the very high marginal tax rates faced by a lot of people on low incomes (see below), and the failure of the benefit system to recognise and act upon the importance to people of stability of income.

'Childcare is a big barrier. You are giving your child to a stranger and paying them a full-time wage to look after your kid, but if you are on the minimum wage the person looking after your kids is earning more than you. How do you work that one out?'

Anne-Marie, community worker, Glasgow

Kevin, a qualified engineer and surveyor, was earning around £40k when his company went bust in April 2008. He has since struggled to find permanent work and to receive the benefits to which he is entitled. He applied for benefits immediately, but – despite constantly chasing his claim – received nothing for five months. By this time his redundancy money had gone, and Kevin had built up considerable debts as he struggled to pay the mortgage. The stress of financial pressures and ill health contributed to the breakdown of his marriage.

At one point, Kevin managed to get a day's work as an extra on a television soap. He was paid £77, but when he declared it at the Jobcentre, expecting to lose a day of JSA, he was told he would lose the whole week's benefits. He gained £13 from his day's work. The Jobcentre made it very clear that there really was no point in any part-time work he found, and seemed to resent the paperwork it created.

Kevin is looking for a well-paid, part-time or flexible job that he can combine with looking after his children. When he told Jobcentre staff he was looking for this kind of work, they laughed.

Why work doesn't always pay

Given the nature of the jobs available to them, the tax and benefit systems leave people on very low incomes facing very low returns from work. This is because of the high rate at which various benefits are withdrawn as people move from worklessness to employment (the Participation Tax Rate, or PTR); and the very small proportions of additional income that people already earning small amounts of money often get from earning a little more (the Marginal Tax Rate, or MTR). The Centre for Social Justice recently found that nearly two million working people currently face MTRs of more than 60 per cent – and for some, it can be as high as 76 per cent or even 95.5 per cent. The same report also found that PTRs of more than 75 per cent are common.⁸¹ The effect of these rates is to make the financial returns from work negligible for large numbers of people.

When the costs of work – transport, clothes, etc. – are also taken into account, in many cases people will actually lose money by working, or by working more hours. The assumption of policymakers is that the financial returns of work more than make up for the costs: so, while the

costs of uniform or other work clothes and bus fares to get to work and back may make a dent in an individual's pay packet, work will still leave the employee significantly better off.

The problem with this is twofold. Firstly, work is generally paid in arrears, whereas the associated costs need to be paid for upfront. This involves dipping into (generally non-existent) savings, or – more realistically – going in to debt and bearing all the additional costs that this entails. Secondly, the investment in something like work clothes won't necessarily pay off in one week or even in one month of work – especially if there is interest on loans to be paid. A new employee has to hold on to their job for a while in order for it to leave them better off.

Yet, as discussed above, a great deal of modern work is short term, even if it isn't necessarily advertised that way. At the same time, people who are new to, or re-entering, the labour market often have a range of difficulties and barriers that make holding on to a job particularly hard for them. A bad financial experience with work can lead to individual and 'folk' memories that – perfectly logically – militate against trying work in the future.

Jim was on incapacity benefit for over 15 years following a serious accident at work. He's back at work – but no better off.

'I'm worse off now that I'm not on incapacity benefit. [Then] I got full housing benefit and only paid a nominal amount of council tax. [Now] when my wages go in it pays off my overdraft. I make sure the rent and the council tax are paid because I don't want to lose my home... and then I've got very little to live on. It's just a case of living from hand to mouth with me.

'I just want the good quality of life that everyone else has. I can't afford holidays. I've got two sofas – and they were what my son was going to throw away. I've never had anything new in my life. My take-home pay is £125 a week. My rent is £62. I then have to pay council tax as well. After that I can split up what's left... and live – not comfortably – but I know I can live off that.

'The government should help you come off incapacity... They go on about wanting you to get off... They should make it easier to claim other benefits like housing benefits or working tax credits or something. All they do is get you off one statistic onto another.'

The strictly financial returns are just one aspect of whether or not work is a viable option. Two other considerations which are particularly important for people living in or on the edge of poverty, are the impact of work on stability of income; and the impact of work on the non-financial aspects – or 'assets' – of livelihoods.

Stability of income

Benefit levels are very low, and have been deliberately run down compared with wages over the past 30 years in order to make them more and more difficult to live on. However, they afford people a *stability of income* that the modern labour market increasingly denies them.

A much-overlooked concern for people on low incomes is vulnerability. Millions of people in the UK have levels of income that require their budgeting decisions to be calculated with precision. As a result, their lives and livelihoods can be thrown off course by sudden changes to their incomes, even if these changes are short-lived. People on low incomes rarely have savings to cushion the impact of one-off expenses, such as getting a boiler fixed or paying for a child's birthday party. This has meant that traditional 'better off in work' calculations miss out a key context.

Quite apart from its failure adequately to address the vulnerabilities caused by the modern labour market, the welfare system creates vulnerabilities of its own. The tax and benefit systems cannot cope with the fluctuating patterns of work that are the way of life for many people on low incomes. As a result, they cause uncertainty in predicting income, can cause financial shortfalls, and ultimately make it harder for people to take work by adding to the insecurity of the transition from benefits.

'I wish I could work, but it's not worth me working at all. You don't get enough money and then you need childcare. I used to work. I was a cleaner but it wasn't worth it. I wasn't getting enough money to pay the debts or bills. Everything's gone up in price.'

Jackie, Thornaby

Benefits tend to be withdrawn as soon as the conditions of eligibility for them – eg. being out of work – cease to be met (and even where this isn't true, for example with housing benefit run-on, this is under-publicised and as a result little-known). On the other hand, claiming benefits can be a slow process, and people are often left without any income while they await the administration of their claim. For example, the average time taken by councils to process a housing benefit claim in 2007/8 was 29 days⁸² – an average that disguises significant local variation (see Kevin's story, p 21).⁸³ Eligibility for tax credits is calculated on the basis of annual income; thus changes in income cause significant administrative difficulties that can lead to mistakes and delays – sometimes resulting in increased poverty and vulnerability for the claimant.

Non-financial assets and the Sustainable Livelihoods Approach

'It's a lot harder for parents who have children in school. If the children are sick and they've got no other relatives... they're going to have to have time off work. And 99 per cent of employees are not going to sympathise with that, so the more time they have off work for children being sick... they're going to end up losing the job. So they're back to square one again.'

Katie, Thornaby

Across our global programme, Oxfam uses the Sustainable Livelihoods Approach (SLA) as a tool to frame how we think about poverty (see box below). Vulnerability, as discussed above, is central to the SLA understanding of poverty, as is considering the assets that people use to construct their livelihoods. Where traditional approaches to poverty use a narrow deficit model focusing on the material deprivation of those in poverty – in short, treating the major *symptom* of poverty as its cause – the SLA allows policymakers to gain a rounder understanding of the lives, strengths of, and challenges faced by, people living in poverty.

An understanding of the importance of non-financial assets in enabling people to cope in their daily lives, as well as in emergencies, helps to show why people might – quite rationally – not be willing to put other assets at risk for the sake of possibly increasing their financial assets. Even when people are getting by on a day-to-day basis, risk management remains important as they may not have much to fall back

on in emergencies. Non-financial assets are a critical part of risk management, especially for poor people. These fit into four categories: human (eg. health, skills, education); social (eg. family networks, friends, faith groups); physical (eg. ownership or use of a house, car or sewing machine); and public (eg. access to libraries, Jobcentres, political representation, public transport).

When one asset is undermined, this can have an impact on the others. For example, the breakdown of a relationship (social asset) may lead to poor health (human asset); this leads to a decreased ability to earn and increased debt (financial asset) which in turn leads to poorer housing (physical asset). Therefore, while moving into employment ought to lead to an increase in a person's financial assets (although, as discussed above, not necessarily), it may reduce the resources available to them in other areas.

'Believe it or not, I was better off on benefits, physically as well. I was at home if the kids had an appointment. They [the employer] are great here but other places... whatever the policies... people are like "she's gone again"... [rolling her eyes] "it's the kids".'

Stacy, Manchester

As well as the more obvious non-financial costs stemming from a decreased ability to care for children or relatives, work can impact across the full range of assets. For example, working unsocial hours can lead to the weakening of friendships and other social support networks upon which people previously relied. This cost may be acceptable if the transition to work goes smoothly, but it can leave individuals particularly vulnerable to small external shocks, such as a parent or child falling ill. And, as discussed above, this vulnerability is exacerbated by a tax and benefit system that fails to take account of the role of external shocks.

The Sustainable Livelihoods Approach

Poverty in the UK is often characterised as a combination of powerlessness and material deprivation, with the result that analyses of poverty often do not consider the assets and positive strategies that people experiencing poverty employ to overcome some of the obstacles in their lives. The Sustainable Livelihoods Approach (SLA) is a holistic approach that, instead of looking at low-income individuals and communities as deficient, analyses people's existing assets and how they use these to build a sustainable livelihood.

These assets are divided into five main areas: financial, human, social, public and physical, which jointly create a composite picture of the life of a person within their household and community. This understanding is then considered in the light of the multitude of factors that have an effect on people's vulnerability to poverty, including household dynamics, local services and national policy. The approach includes a strong gender dimension, looking at how women and men forge their livelihoods together and separately.

For more on the SLA, see *When Ends don't Meet: Sustainable livelihoods in Thornaby on Tees* by Sheena Orr, Greg Brown, Sue Smith, Catherine May and Mark Waters (Oxfam, 2006).

Being in work – and living in poverty

People are being ‘incentivised’ to work by the running down of the value of benefits, as evidenced by the fact that benefits are now half what they were 30 years ago relative to wages.⁸⁴ However, this has not been matched with positive work incentives (see Recommendations overleaf). In spite of the previous Labour government subsidizing of low wages through tax credits, a majority of both children and working-age adults in poverty live in working households – 55.3 per cent of children,⁸⁵ and 52.9 per cent of adults.⁸⁶ The proportion of people living in poverty who are in working households has been on an upward trend for over a decade.

‘...Having to pay for prescriptions, having to pay the council tax that’s gone up, rent that’s gone up, you find out that your wages haven’t gone up like everything else – you’re stuck, you really are stuck.’

Helen, Thornaby

Meanwhile, increases in the National Minimum Wage (NMW) have stalled, with real-terms decreases in the last two years (the 3.8 per cent rise in October 2008 was lower than the CPI annual inflation rate at the time of 4.5 per cent; and the 1.2 per cent rise in October 2009 was lower than the CPI at the time of 1.5 per cent). This underestimates the extent to which price increases have affected those paid the NMW, since inflation has in that same period been significantly higher for people on low incomes, due in large part to steep rises in the cost of food and energy.

The JRF’s work on a minimum income standard found that, in the year to April 2009, the cost of a minimum budget went up at twice the rate of the official inflation level – five per cent, compared with a CPI of 2.5 per cent.⁸⁷ And the Institute for Fiscal Studies found that the inflation rate for the poorest and second poorest deciles was 5.4 per cent and 5.3 per cent respectively, compared with a CPI of 2.1 per cent.⁸⁸ The current low average levels of inflation disguise the fact that, for poor people, the cost of living continues to rise. Over the past two years, inflation has not only been high, but volatile, making it harder for people on low incomes to budget. Neither the minimum wage nor benefit levels have increased to reflect this.

‘If they [the government] want everyone to go back to work, they’ve got to put house prices down, they’ve got to put utility stuff down and they’ve got to give people the chance to learn and still get paid benefit. Go on a full-time course, and your benefits stop because you’re not available for work.’

Carole, advice centre worker, Oxford

As well as receiving very low wages or benefits, people with low incomes also contribute more than their fair share in taxes. The poorest fifth of households pay a bigger proportion of their income in tax than the richest fifth of households – 38.6 per cent and 35.3 per cent respectively.⁸⁹ Given the theme of this report, it is worth remembering that people living in poverty make a significant contribution in financial as well as non-financial ways.

5.

Conclusion and recommendations

As this briefing has shown, negative attitudes towards people living in poverty are widespread, and have a damaging impact both on the individuals concerned and on public policy-making to tackle poverty. At the root of these attitudes are the beliefs that poverty is the fault of the individual, that people on benefits could get jobs if they wanted to, and that those who are not in paid work don't contribute anything.

We hope that *Something for Nothing* has presented ample evidence to the contrary. We have shown that around the UK, there are countless individuals living in poverty who are not recognised for the hard work they do – taking care of family members and others, and making their communities safer, more productive and more rewarding places to live. We have also demonstrated how current tax and benefit systems create barriers to work and keep many people tied to the welfare system.

We hope this 'evidence' will contribute to the current debate on public attitudes in which many NGOs, community groups and poverty activists are participating. And we hope it will help to bring about a sea change in public attitudes, lead by politicians and the media, which will enable the reform of welfare policies and the introduction of other policies to tackle poverty.

Recommendations

Politicians and journalists play a key role in promoting positive attitudes, or reinforcing negative ones, of people living in poverty. Oxfam is therefore calling on politicians, commentators, and decision makers to recognise the unpaid contributions made by people on low incomes and the barriers to work and opportunity which make it difficult for some people to take up paid work, and to reflect this in their language, political activity and policy-making.

Specifically, Oxfam is calling for politicians, and journalists, to:

- **Use appropriate language when discussing people living in poverty** to avoid pandering to or reinforcing negative attitudes, beliefs and stereotypes.
- **Challenge negative language and attitudes** about people in poverty when they arise in political and media discourse.
- **Acknowledge and raise awareness of the contribution of people in poverty** to the UK economy and society through unpaid caring and community work.
- **Give a voice to people living in poverty.** Politicians and journalists should meaningfully seek the views, opinions and ideas of people living in poverty, and reflect their lived experience.

Further recommendations

We hope that a sea change in attitudes to people living in poverty will enable the creation of policies to tackle poverty, such as those outlined below. Overall, Oxfam wants to see a society and a welfare system that gives people dignity and a decent standard of living; and which gives people security – whether they are out of work, in work, or if they find themselves moving between the two. Crucial to this is that the unpaid work done by people on low incomes must be recognised as being valuable to both individuals and to communities.

Oxfam is calling on the new government to implement the following recommendations:

Revise the benefit system to enable unpaid work to be valued on its own merits.

This includes allowing unpaid work to be combined securely with paid work – as well as being seen as the valuable step towards permanent, full-time employment it can often be.

One example of this, in relation to community volunteering, is the CREATE Consortium's campaign – to which Oxfam is a signatory – to implement a Community Allowance. Under this scheme, organisations would work together with the Department of Work and Pensions to recognise certain short-term community work roles that could be paid an allowance of up to £4,305 per year. Volunteers taking up these roles within their own communities could be exempted from jobseeking requirements under JSA, yet retain their benefits for up to a year.

Implement a broader systemic change in the benefit and tax systems with regard to work incentives, to ensure that work always pays and that it never comes at the cost of the security of an individual's or a household's livelihoods.

As a first step in this direction we would like to see the implementation of the package of measures to improve work incentives and to reduce the insecurity attendant in moving from benefits to work, which formed the core of proposals made by the Centre for Social Justice in September 2009.⁹⁰ The key measures are: a substantial increase in earnings disregards; a substantially reduced and predictable taper on withdrawal of benefits and levying of taxes on earnings above the disregard; and a simplified and more responsive method for adjusting to changing earnings, so that financial risk is not borne by individuals with fluctuating earnings.⁹¹

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Oxfam works to overcome poverty in the UK in three ways. We develop projects with people living in poverty to improve their lives and show how things can change. We raise public awareness of poverty to create pressure for change. And we work with policy makers to tackle the causes of poverty. For more information on the issues raised in this paper, or Oxfam's work to end poverty in the UK, email **ukpoverty@oxfam.org.uk**.

