

THE EQUALITY TRUST

**Submission to the UN Special Rapporteur regarding the linkages
between poverty and the realization of human rights in the United Kingdom.
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Introduction

The Equality Trust is a registered charity that works to improve the quality of life in the UK by reducing economic and social inequality. We approach this consultation from the perspective of inequality and its effects and, in particular, how they are manifesting themselves in the UK at this time with regard to poverty and human rights.

Inequality in the UK – a snapshot

The UK has one of the highest levels of income inequality in the developed world.¹ The UK's wealth inequality is around the EU average but has been increasing in recent years, largely due to our unevenly shared property wealth.² It is worth noting that the two forms of inequality are linked as we know that the excessively high incomes of the richest people in the UK are quickly translated into asset wealth such as property, pensions and other investments.

Research by The Equality Trust confirms the vast extent of our material inequality in terms of both incomes and wealth. Our Wealth Tracker 2018 report shows that the 1,000 richest people in the UK now have total wealth of £724bn, which is an increase of £274bn in the past five years and an increase of £66bn in the past year alone. It is comfortably more wealth than that held by the poorest 40% of households combined.³ With regard to income inequality, our analysis of the latest CEO pay in the FTSE 100 (the UK's largest publicly traded companies) shows that, on average, they take home 265 times more than a minimum wage worker each year and 137 times more than an average wage worker.⁴

Income inequality in the UK – trends and projections

What has happened and what is going to happen to inequality in the UK is regularly debated and is complicated by different sets of data and methodologies generating slightly different results.⁵ It is safe to say that income inequality in the UK is high and apparently entrenched. It surged in the

¹ OECD inequality data: <http://www.oecd.org/social/inequality.htm>

² Resolution Foundation: <https://www.resolutionfoundation.org/media/press-releases/britains-increasingly-unevenly-shared-property-wealth-is-driving-up-inequality-after-a-decade-long-fall/>

³ Equality Trust *Wealth Tracker 2018*: <https://www.equalitytrust.org.uk/wealth-tracker-18>

⁴ Equality Trust *CEO pay analysis*: <https://www.equalitytrust.org.uk/national-shame-ftse100-ceos-earn-265-times-more-minimum-wage-worker>

⁵ The Guardian: <https://www.theguardian.com/inequality/2017/dec/03/income-inequality-is-getting-wider-if-the-stats-count-what-counts>

1980s to levels far higher than we had in the 1960s and 1970s and has remained high ever since, oscillating slightly but pretty much flatlining since around 1990.⁶

UK Government Ministers and certain supportive commentators invariably quote the statistics from the Office for National Statistic (ONS) which show a very slight decline in income inequality since around 1990 but as leading inequality expert, Professor Richard Wilkinson,⁷ notes:

"When members of the government claim that inequality is declining, they are clutching at straws. They use measures that ignore the rapid rise in the incomes of the top 1% and take no account of increased housing costs. But even their preferred figures show only tiny reductions in inequality and a complete failure to undo the mountainous rise in inequality during the 1980s which has made Britain a more anti-social society. The most recent complete figures show a slight rise in inequality which is forecast to accelerate over the coming years as a direct result of government policies."

The ONS figures have been criticised for failing to capture the true picture on top incomes and the Resolution Foundation has made detailed recommendations for improving the situation.⁸

Both the Institute for Fiscal Studies (IFS)⁹ and the Resolution Foundation,¹⁰ the UK's two foremost and respected think-tanks in this area, are now predicting a rise in UK inequality in the coming years. Away from the statistics, this prediction appears to be unfolding before our eyes. We now have increasing and very visible signs of both excessive incomes and wealth in the UK alongside very clear evidence of rising poverty and destitution. We expect that the official statistics will catch up with the reality "on the ground" in due course. We now turn to examine poverty in the UK in more depth.

Poverty in the UK

There is a clear link between inequality and poverty in the UK. A comprehensive report from the London School of Economics and Political Science¹¹ in November 2017 found that:

"... on average, during the last 50 years a one-point increase in income inequality - as measured using the Gini coefficient - was associated with an increase in relative poverty of 0.6 percentage points."

Looked at more broadly, it is fanciful in the current UK situation to separate the issue of poverty from the issue of inequality. If poverty has nothing to do with inequality then we are, in effect, saying it has nothing to do with the overall distribution of resources (or the income and wealth that lays claim to those resources) within our economy. We are being asked to believe that our levels of poverty - and also our great wealth - arise almost mysteriously, in a vacuum, divorced from the

⁶ Institute for Fiscal Studies: *Living standards, poverty and inequality in the UK (2018)* - see pp30-31
<https://www.ifs.org.uk/publications/13075>

⁷ Professor Richard Wilkinson, co-founder and Trustee of The Equality Trust and co-author (with Professor Kate Pickett) of *The Spirit Level* (2009) and *The Inner Level* (2018) both about inequality and its effects.

⁸ Resolution Foundation: *Unequal results: improving and reconciling the UK's household income statistics*
<https://www.resolutionfoundation.org/publications/unequal-results-improving-and-reconciling-the-uks-household-income-statistics/>

⁹ IFS: *Living standards, poverty and inequality in the UK: 2017-18 to 2021-22*
<https://www.ifs.org.uk/publications/10028>

¹⁰ Resolution Foundation: <https://www.resolutionfoundation.org/media/blog/dis-united-kingdom-inequality-growth-and-the-brexite-divide/>

¹¹ LSE/Oxfam report: *Double Trouble. A review of the relationship between UK poverty and economic inequality*
<http://policy-practice.oxfam.org.uk/publications/double-trouble-a-review-of-the-relationship-between-uk-poverty-and-economic-ine-620373>

underlying economic processes that go on around us all the time, every day. This is simply not credible.

Sadly, in the UK, we have daily evidence of the worsening of poverty for an increasing number of our citizens. The word “destitution” has even come back into regular use in our vocabulary – a word perhaps more associated in the UK with the Victorian era or the inter-war period.¹² The three most obvious features of our increasing poverty are: homelessness, food poverty and a failing social security system, the latter being a key driver of the first two problems.

Looking first at homelessness, this has surged in recent years in the UK. A major report by Shelter in November 2017 found that 300,000 people were now homeless in the UK with evictions from private rented accommodation being a major factor.¹³ The UK has also seen a surge in food poverty with the biggest charitable operator of food banks, The Trussell Trust, reporting record high usage in 2017/18 and calling for social security to keep pace with the cost of essentials.¹⁴ Unfortunately, however, social security provision has been cut back overall and particularly in regard to the new Universal Credit system (a simplification of multiple benefits into a single benefit) which is being rolled out across the country - and which, according to the End Hunger UK coalition, is fuelling food bank use.¹⁵

There is also increasing evidence that our deepening poverty is having a severe effect on children. The media now carries regular stories regarding “holiday hunger” when children from poorer households do not receive their free school meals.¹⁶ There is also evidence that “period poverty” is increasing as girls from poorer families are increasingly finding it difficult to afford sanitary products.¹⁷ And there have also been media reports of poorer families struggling to afford uniforms and other essentials as they head back to school for the start of the academic year.¹⁸

It should also be noted that for all the media coverage about the effects of poverty on children, there is also evidence that an increasing number of pensioners are also now falling into poverty.¹⁹ The increasing problem of poverty in the UK goes right across the age range.

The impact on human rights

Inequality adversely affects the human rights of a great number of people in the UK. One of the starkest examples is our vast health inequality that means poorer people have many fewer years of life than richer people.²⁰ It is hard to think of a more serious abuse of your human rights than being condemned to fewer years of life (and healthy life at that) simply because you are poor.

¹² Joseph Rowntree Foundation: Destitution in the UK 2018 <https://www.jrf.org.uk/report/destitution-uk-2018>

¹³ Shelter: *Far from alone: Homelessness in Britain in 2017*

http://media.shelter.org.uk/press_releases/articles/more_than_300,000_people_in_britain_homeless_today

¹⁴ The Trussell Trust: <https://www.trusselltrust.org/2018/04/24/benefit-levels-must-keep-pace-rising-cost-essentials-record-increase-foodbank-figures-revealed/>

¹⁵ End Hunger UK: <http://endhungeruk.org/>

¹⁶ The Independent: <https://www.independent.co.uk/news/education/education-news/school-holidays-hunger-poverty-national-education-union-food-a8472076.html>

¹⁷ The Guardian: <https://www.theguardian.com/society/2018/aug/25/lets-make-period-poverty-history-girls-miss-school-sanitary-products>

¹⁸ Metro: <https://metro.co.uk/2018/08/29/going-back-to-school-and-school-uniform-costs-are-putting-parents-into-debt-7893953/>

¹⁹ Age UK: <https://www.ageuk.org.uk/latest-news/articles/2017/december/300000-more-pensioners-living-in-poverty/>

²⁰ Longevity Science Panel report: http://www.longevitypanel.co.uk/files/Press_release_2018.pdf

Life expectancy is generally recognised to be a good proxy for the overall health of the population. It appears that the rising poverty we are now witnessing in the UK (see previous section) is beginning to feed through to our life expectancy figures where the long-established increases are now stalling.²¹ Research published in the British Medical Journal (BMJ) suggests that public spending cuts have caused 120,000 excess deaths in the 2010-2017 period.²² Moving into 2018, researchers have pointed to a spike in mortality rates in England & Wales in the first seven weeks of the year.²³ The Government has now responded by commissioning a review into this spike in death rates.²⁴ It is also worth noting that there has been a small increase in infant mortality rates in England & Wales which, according to official statistics, is closely linked to socio-economic status with poorer families suffering more than richer families.²⁵

In addition to losing years of life, there is also increasing evidence that the quality of life for many people in the UK is poor and, for some, getting worse. In particular, the UK population seems to be suffering a great deal of mental health problems.²⁶ A recent report showed a shockingly high level of self-harm by teenage girls²⁷ while suicide remains the leading killer for younger men (those under 50).²⁸ There have been cuts to mental health services as part of the overall savings targets imposed on the National Health Service (NHS) but the extent of those cuts is disputed by NHS management and the Government.²⁹

Inequality and poverty also impact in other related areas. For example, it is known that children from poorer backgrounds and black and minority ethnic (BAME) communities have less access to green spaces than their richer counterparts. This has direct impacts on physical and mental health.³⁰

At the other end of the age spectrum, we have a growing social care crisis for elderly people who are unable to live independently in their own homes any more. Local council finances are under severe strain as funding from the Government is reduced while the demands for support increase.³¹ This has created a perfect storm where some local councils are either teetering on the edge of bankruptcy³² or have cut their service provision to the absolute legally required minimum.³³

²¹ Office for National Statistics (ONS) blog: <https://blog.ons.gov.uk/2018/06/18/grinding-to-a-halt-is-life-expectancy-coming-to-an-end/>

²² Reported in the BMJ (16 November 2017): <https://www.bmj.com/content/359/bmj.j5332>

²³ Reported in the BMJ (14 March 2018): <https://www.bmj.com/content/360/bmj.k1090>

²⁴ Reported in the BMJ (26 June 2018): <https://www.bmj.com/content/361/bmj.k2795>

²⁵ ONS data release:

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/childhoodinfantandperinatalmortalityinenglandandwales/2016>

²⁶ BBC: *Mental health: 10 charts on the scale of the problem* <https://www.bbc.co.uk/news/health-41125009>

²⁷ Children's Society report: <https://www.childrensociety.org.uk/news-and-blogs/press-releases/one-in-four-14-year-old-girls-self-harm>

²⁸ Campaign Against Living Miserably: <https://www.thecalmzone.net/help/get-help/suicide/>

²⁹ The Independent: <https://www.independent.co.uk/news/health/mental-health-trusts-uk-funding-government-cuts-royal-college-psychiatrists-a8219486.html>

³⁰ The Guardian: <https://www.theguardian.com/teacher-network/2018/mar/01/improving-childrens-access-nature-addressing-inequality-bame-low-income-backgrounds>

³¹ The Independent: <https://www.independent.co.uk/news/uk/home-news/tax-increase-social-care-crisis-local-government-association-councils-a8424841.html>

³² BBC: <https://www.bbc.co.uk/news/uk-england-northamptonshire-45044923>

³³ The Guardian: <https://www.theguardian.com/society/2018/aug/03/local-council-funding-crisis-east-sussex-cuts-services>

We also know that as a result of tax and benefit changes and lost services since 2010, Black and Asian households within the lowest fifth of incomes will experience the biggest average drop in living standards of 19.2% and 20.1%, respectively, by 2020.³⁴

And across the age spectrum, those affected by disability have found life increasingly hard as social security budgets have been cut and tougher requirements to work have been imposed. The Guardian reported³⁵ on a 2017 study by the Equality and Human Rights Commission (EHRC) as follows:

“The study found that households with the most serious disabilities – measured across a range of specific functional difficulties, including mobility and mental health – stand to lose most as a result of tax and benefit reforms, most notably as a result of cuts introduced under universal credit.”

Conclusions

The UK is a deeply divided society. We have a very high and entrenched level of inequality that was established during the 1980s and has not been reduced in any material way since then. Accordingly, we have a high level of poverty which is also seemingly intractable. The spending cuts pursued by UK governments since 2010 have exacerbated poverty and now looks set to increase our level of inequality in coming years. It is hard to see how this will not have further dire consequences for human rights in the UK.

The focus in repairing the UK’s finances after the Global Financial Crash has been on reducing public expenditure rather than raising taxes. This has adversely affected those on middle and lower incomes far more than it has richer people. In this paper we have highlighted some of these impacts but there are many others, for example the strains on frontline services ranging across our health, education and criminal justice systems, all of which have suffered deep financial cuts.

As a consequence, the UK’s economic and social model is showing severe signs of strain as those on average and lower incomes attempt to keep afloat by going into debt or working longer hours or even taking on multiple jobs. The impacts on family and wider social life are, in turn, adverse. Meanwhile, a small elite continues to enrich itself and exert excessive economic and political power over all our lives.

All this has been expertly documented by the Institute for Public Policy Research (IPPR) in their recently released landmark report *Prosperity and Justice*³⁶ which convincingly argues that the UK economy needs a fundamental overhaul in the direction of much greater fairness such that it works for all.

Recommendations

We strongly agree with the IPPR that we need a much fairer society and we firmly believe that inequality and poverty are not inevitable. These are problems of our own making and we can fix them.

³⁴ Women’s Budget Group and Runnymede Trust report: <https://wbg.org.uk/main-feature/intersecting-inequalities-impact-austerity-bme-women-uk/>

³⁵ The Guardian: <https://www.theguardian.com/society/2017/nov/17/women-and-disabled-austerity-report-tax-benefits-reforms>

³⁶ IPPR report: <https://www.ippr.org/research/publications/prosperity-and-justice>

To this end, we campaign for policies to make our economy and society fairer, from our national, local and individual manifestos³⁷ through to our Ownership Charter³⁸ calling for greater ownership of the economy by working people. We are also calling for the Government to implement the Socio-Economic Duty³⁹ (Section 1 of The Equality Act 2010) which will place a powerful lever in the hands of public bodies to tackle inequality in all that they do.

We also campaign for a wider understanding of the effects of inequality on how people act and think. We draw on the work of Professors Wilkinson, Pickett and others that shows how material differences create social distances and, therefore, how we need to narrow those material differences if we are to build a truly cohesive and civilised society.⁴⁰ We feed this perspective into all our work, for example in our role as co-secretariat (together with the Child Poverty Action Group) of the All-Party Parliamentary Group on Poverty.⁴¹

The Equality Trust would also highlight the following key approaches and policies to make an immediate impact in reducing economic and social inequality and thereby improve the quality of life in the UK:

- ❑ **Overall inequality:** The adoption of a comprehensive Inequality Reduction Strategy embedded across all Government departments with the explicit aim of improving the quality of life in the UK;
- ❑ **Income inequality:** The reintroduction of the 50% top rate of tax on the highest earners in the UK and a review of whether this should go higher than 50%;
- ❑ **Wealth inequality:** The commissioning of an independent Commission on Wealth to look at all aspects of wealth accumulation and distribution in the UK with a view to making it radically fairer than it is now;
- ❑ **Child poverty:** Reinstate child poverty targets, commit to eliminating child poverty and introduce universal free school meals for all children of school-age (from 4 to 18 years old);
- ❑ **Housing:** Establish a large-scale house building programme, prioritising social housing and truly affordable housing; in the private rented sector ensure that Local Housing Allowance rates keep pace with rent rises and that no-fault evictions are outlawed;
- ❑ **Social Security:** Ensure that social security levels keep pace with inflation and that the Universal Credit taper rate is reduced to 55% to let working families keep more of the money they earn; and
- ❑ **The workplace:** In addition to pay ratio reporting (which we campaigned for and is imminent) put workers on the boards of medium-to-large companies and on their remuneration committees; restore the rights of trade unions to organise and bargain collectively.

³⁷ Equality Trust: <https://www.equalitytrust.org.uk/fairer-uk-equality-trust-releases-new-manifestos>

³⁸ Equality Trust: <https://equalitytrust.eaction.org.uk/petition/ownershipcharter>

³⁹ Equality Trust: <https://equalitytrust.eaction.org.uk/lobby/10>

⁴⁰ The Inner Level (published June 2018): <https://www.equalitytrust.org.uk/inner-level>

⁴¹ APPG on Poverty: <http://www.appgpoverty.org.uk/>

Appendix

The Equality Trust is committed to letting people tell their stories about how inequality impacts their lives so we publish guest blogs such as the following one:

How The Inner Level Explained My Mental Distress (Guest Blog)

The following is a poignant and insightful blog from one of our supporters, Georgina, about the strong resonances she found when reading [The Inner Level](#), the new book from Professors Richard Wilkinson and Kate Pickett. We are very grateful to Georgina for giving us permission to publish this.

When I read the Inner Level I was struck in a way I haven't felt before when reading a book. I felt that the authors had articulated something I'd been struggling with my whole life. They'd put words to my experiences and the causes of my experiences that no one else had managed to do before.

I'd always been an anxious person and I've experienced several of what the current research and the authors call Adverse Childhood Experiences (ACEs). But therapists (and I've had eight of them - I'm 33 now) could, or would, only focus on my inner experiencing, my feelings and my close relationships. The impact of my culture, my society's values and its economy and the impacts of these on me as an individual were never looked at. I guess it's presumed that this is the realm of sociology and economics, not psychology. What my therapists lacked in understanding of my socio-economic context (and therefore couldn't help me to understand it) meant that I could only make sense of half my own picture.

I came to the book launch of The Inner Level because I wanted to thank Dr. Pickett and Dr. Wilkinson for making sense of the missing pieces of my picture for me - for making my feelings, responses and fears understandable in a way that no therapist has. Reading that a society that is more unequal will lead to people internalising the society's evaluation of them made complete sense to me and I could think of many, many instances of this happening in me.

Understanding this new concept freed me from feelings of blame that I'd put on myself, for example, by feeling like a failure for not keeping up with my successful older siblings. It made me see that I couldn't expect to be fully well, flourishing and fully functioning if the society I live in has an illness - an illness it isn't even aware of. I felt like I'd woken up to what was going on around me in the same way I'd started to wake up when I first started training as a therapist.

We aren't encouraged to look up from ourselves and to understand, query or contrast our socio-economic situations with other cultures - and the impact that this is having on us is an epidemic of as yet unprecedented proportions. Our society's mental distress is at an exceptional level and no one other theory can explain and encompass the cause of it like the conclusions in this book and in [The Spirit Level](#).

The Inner Level helped me to realise the importance of psychology and sociology being more combined and shared across disciplines. This is to ensure that therapists (myself included) do not end up tacitly colluding with the inequality inherent in our society by being unaware of it on a macro and micro level. Anyone involved in supporting people in health and social care should read it to ensure a broader and deeper understanding of people and their patients/clients. I now work in the Equality Improvement Department for a national mental health charity and hope that I can bring some of this new understanding with me into my own work.

For additional material on the lived experience of poverty in the UK, please see:

APPG on Poverty - minutes: <http://www.appgpoverty.org.uk/wp-content/uploads/2018/08/Minutes-102F72F18-evidence-session-on-the-lived-experience-of-the-poverty-premium.pdf>

APPG on Poverty - Jean's story: contending with the disability price tag: <http://www.appgpoverty.org.uk/society/the-disability-price-tag/>