A Jubilee Celebrated On The Back Of Millions Of Conquered People

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The Diamond Jubilee Of The Queen Of Diamonds And The Great Poverty Of Little Britain - Part II

> *"The combination in the UK of economic stagnation and public spending cuts is causing substantial hardship to people living in poverty. This amounts to a 'Perfect Storm' of falling incomes, rising prices, public service cuts, benefit cuts, a housing crisis, and weak labour rights.*
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> *Falling incomes and rising inequality are part of a longer-term trend. In the decade to 2008/09, 40 per cent of total income growth in society went to the richest tenth of people, and a decreasing proportion of gross domestic has gone to wages. It is predicted that, on current trends, the UK will rapidly return to levels of inequality not seen since Victorian times."*
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> The Perfect Storm: Economic stagnation, the rising cost of living, public spending cuts, and the impact on UK
> (Oxfam Briefing Paper. 14 June 2012)

The United Kingdom is a 'developed' country with comparatively large income differences; those at the lower end of the income distribution have a relatively low standard of living. However, the severe privations of those in the developing world are scarcely to be seen due to the more advanced social infrastructure - health services, welfare and so on. Discussions surrounding poverty in the United Kingdom tend to be of relative poverty as well as absolute poverty.

In the early 1950s it was believed by numerous people that poverty had been all but abolished from the United Kingdom, with only a few isolated pockets of deprivation still remaining.

Benjamin Seebohm Rowntree chose a basic 'shopping basket' of foods - identical to the rations given in the local workhouse, clothing and housing needs - anyone unable to afford them was deemed to be in poverty. By 1950, with the founding of the modern welfare state, the 'shopping basket' measurement had been abandoned.

The vast and overwhelming majority of people which fill the government's current criteria for poverty status have goods unimaginable to those in poverty in 1900. Poverty in the 'developed' world is often one of perception; people compare their wealth with neighbours and wider society, not with their ancestors or those in foreign countries. Indeed this is formalised in the government's measure of poverty. A number of studies have shown that though prosperity in the United Kingdom has increased, the level of happiness people report has remained the same or even decreased since the 1950s.

Over the course of the Fifties and Sixties, however, a 'rediscovery' of poverty took place, with various surveys showing that a substantial proportion of Britons were impoverished, with between 4 per cent and 12 per cent of the population estimated to be living below the Supplementary Benefits scales.

In 1969 Professor A. Atkinson stated that "it seems fair to conclude that the proportion of the population with incomes below the National Assistance/Supplementary Benefits scale lies towards the upper end of the 4-9 per cent." According to this definition, between 2 and 5 million Britons were trapped in poverty. In addition, some 2.6 million people were in receipt of Supplementary Benefits and therefore living on the poverty line. This meant that at least 10 per cent of the population were in poverty at his time.

In their 1965 study on poverty, *The poor and the poorest*, Professors Brian Abel-Smith and Peter Townsend decided on measuring poverty on the basis of the Supplementary Benefit scales, plus 40 per cent. Using this poverty line, Abel-Smith and Townsend estimated that some 14 per cent - around 7.5 million of Britons lived in poverty, *i.e.* on incomes below 140 per cent of the Supplementary Benefit scales. Abel-Smith and Townsend also estimated that since the mid-Fifties the percentage of the population living in poverty had risen from 8 per cent to 14 per cent.

In 1972, 12 per cent of British households lived in houses or flats considered to be unfit for human habitation.

In his seminal work *Poverty in the United Kingdom* - published in 1979, Townsend suggested that 15 million people lived in or on the margins of poverty. He also argued that to get a proper measure of relative deprivation, there was a need to take into account other factors apart from income measures such as peoples' environment, employment, and housing standards.

Another study on poverty estimated that 9.9 per cent of the British population lived below a standardised poverty line in 1973.

During the late Sixties and Seventies, progress was made in reducing the level of post-war poverty and inequality. Based on various measurements, however, the number of Britons living in poverty rose significantly from 1979 to 1985. The number of Britons living in poverty - when defined as living below the Supplementary Benefit level - rose from 2,090,000 to 2,420,000 during that period, while the number of people living in poverty when defined as living on or below the Supplementary Benefit level rose from 6,070,000 to 9,380,000. Using a poverty measurement of living at 140 per cent of the Supplementary Benefit level or below, the rise was alarmingly higher, from 11,570,000 to 15,420,000.

Figures from the European Commission estimated that from 1975 to 1985 the number of people living in poverty had doubled in Britain, from just over 3 million to 6.5 million. In 1975, the United Kingdom had fewer people living in poverty than Belgium, Germany, Italy, and Luxembourg. By 1989 Britain had a higher poverty than each of these four countries. In 1989, 12 per cent of the United Kingdom population was estimated to be living in poverty, compared with 7.2 per cent in Belgium, 7.4 per cent in the Netherlands, 7.9 per cent in Luxembourg, 8.5 per cent in Germany, and 11.7 per cent in Italy.

From 1979 to 1987, the number of Britons living in poverty - defined as living on less than half the national average income - doubled, from roughly 10 per cent to 20 per cent of the whole population. In 1989, almost 6 million full-time workers, representing 37 per cent of the total full-time workforce, earned less than the "decency threshold" defined by the Council of Europe as 68 per cent of average full-time earnings. In 1994, 76.7 per cent of all part-time workers earned less than this threshold. From the late Nineties onwards, however,

poverty began to fall steadily, helped by policies such as big increases in national insurance benefits and the introduction of the national minimum wage. Using the 60 per cent of median income after housing costs poverty line, the percentage of the British population living in poverty rose to 25.3 in 1996-1997, compared with 13.7 in 1979. From 1997-1998 to 2004-2005 - using the same 60 per cent of median income after housing costs measurement - the percentage of the population living in poverty fell from 24.4 per cent to 20.5 per cent.

Prime Minister Tony Blair vowed in 1999 to cut child poverty 25 per cent by 2005, 50 per cent by 2010 and to eradicate child poverty completely by 2020. The Labour Party website stated: "In 1997 Labour inherited one of the highest rates of child poverty in Europe - with one in three children living in poverty. Our mission to abolish child poverty is grounded both in our determination to secure social justice, and to tackle the problems that the social exclusion of children builds up for the long-term. Work is the best route out of poverty and our successful welfare to work measures have lifted millions out of poverty including disabled people, who have too often previously been consigned to a life on benefits. At the same time, millions of families are benefiting from the Child tax credit, the Working tax credit, and record rises in Child benefit."

A 2000 report by the Joseph Rowntree Foundation estimated that 4 million people lacked access to a healthy diet, while a review of European Union food and health policies estimated that food poverty was far higher in the United Kingdom than any other E.U. member state.

Poverty rose again from 2005-2006 onwards, reaching 22.5 per cent of the population in 2007-2008, before falling again to 22.2 per cent in 2008-2009.

The 2005 Labour manifesto stated: "[Since the Labour government came to power in 1997] there are two million fewer children and nearly two million fewer pensioners living in absolute poverty."

In a report covering only the east of England, the Joseph Rowntree Foundation found that in 2004-2005, 22 per cent of children in the east of England lived in families on low incomes. This compares to the 26 per cent of children in low income families in 1998-1999, showing child poverty had been reduced. The Foundation noted that the government had missed its official target of reducing child poverty by a quarter between 1998-1999 and 2004-2005.

In late November 2006 the Conservative Party garnered headlines across the press when a senior member spoke out on poverty. The headlines began when then Opposition leader David Cameron's policy advisor and shadow minister Greg Clark wrote: "The traditional Conservative vision of welfare as a safety net encompasses another outdated Tory nostrum - that poverty is absolute, not relative. Churchill's safety net is at the bottom: holding people at subsistence level, just above the abyss of hunger and homelessness. It is the social commentator Polly Toynbee who supplies imagery that is more appropriate for Conservative social policy in the twenty first century." This was followed two days later by Cameron saying that poverty should be seen in relative terms to the rest of society, where people lack those things which others in society take for granted, "those who think otherwise are wrong ... I believe that poverty is an economic waste, a moral disgrace. ... We will only tackle the causes of poverty if we give a bigger role to society, tackling poverty is a social responsibility ... Labour rely too heavily on redistributing money, and on the large, clunking mechanisms of the state."

The Liberal Democrats held the view that Labour: "must completely overhaul the weapons it uses. The way in which tax credits and benefits are being used, with little or no attention paid to housing, health and education, is creating a state of dependency. The Government must fundamentally rethink how it tackles child poverty. Gordon Brown's unwillingness to admit and address failures in the tax credit system is undermining the wider aims of the Government. We now have a system where two million people face an effective tax rate above 50 per cent. A single mum on minimum wage can receive just 36p per hour. If we are to truly create opportunity for all we must make work pay. Although the Government has had some success, particularly in reducing the number of children in poverty, they have already missed their first target by some 300,000."

Poverty is defined by the British government as 'household income below 60 per cent of median income'. The median is the income earned by the household in the middle of the income distribution.

In the year 2004-2005 the 60 per cent threshold was worth 183 pounds (AU$ 273) per week for a two adult household, 100 pounds (AU$ 150) per week for a single adult, 268 pounds (AU$ 400) per week for two adults living with two children, and 186 pounds (AU$ 278) per week for a single adult living with two children. This sum of money is after income tax and

national insurance have been deducted from earnings and after council tax, rent, mortgage and water charges have been paid. It is therefore what a household has available to spend on everything else it needs.

One should consider also that there are basically three current definitions of poverty in common usage: absolute poverty, relative poverty and social exclusion. 'Absolute poverty' is defined as the lack of sufficient resources with which to keep body and soul together. 'Relative poverty' defines income or resources in relation to the average. It is concerned with the absence of the material needs to participate fully in accepted daily life. 'Social exclusion' is a new term used by the British government. Prime Minister Cameron described social exclusion as "…a shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown."

But there are also other recognised forms of poverty, such as 1) water poverty, which is defined by the government as spending more than 3 per cent of disposable income on water bills. Nationally, in 2006, nearly 10 per cent of households were in water poverty. 2) fuel poverty, which applies to a household which struggles to keep adequately warm at reasonable cost. The most widely accepted definition of a fuel poor household is one which needs to spend more than 10 per cent of its income on all fuel use and to heat the home to an adequate standard of warmth.

Defining the 'poverty line' as those individuals and households with incomes less than 60 per cent of their respective medians, in 2009-2010 the percentage of the population living in relative poverty stood at 17.1 per cent - before housing costs, and 22.2 per cent - after housing costs. As a result, 1) 17-18 per cent of the population are found to be in poverty at any one time consistently, from 1994-2004; 2) in 2003 to 2004, 21 per cent of children lived in households below the poverty line. After housing costs are taken into account, this rises to 28 per cent; 3) 3.9 million single people in the United Kingdom lived below the poverty line in 2005. Many of these people are divorced women; and 4) nearly 60 per cent of those in poverty were homeowners.

According to a recent study by four scientists of the Institute for Fiscal Studies, and their report which was supported by the Joseph Rowntree Foundation, the latest year of data available through the methodology of the Households Below Average Income system, despite

falls in Gross National Product and employment, average take-home incomes continued to grow in 2009-2010. Median equivalised income in the United Kingdom grew by 0.9 per cent, from 410 pounds (AU$ 612) per week to 414 pounds (AU$ 618) per week - both in 2009-2010 prices, whilst mean income grew by 1.6 per cent, from 511 pounds (AU$ 763) to 519 pounds (AU$ 775). Taking the period from 1996-1997 to 2009-2010 as a whole, median equivalised income in the United Kingdom grew by about 1.6 per cent per year while mean income grew by 1.9 per cent per year, on average.

In 2010 a *Eurostat* report estimated that 17.1 per cent of Britons were at risk of poverty, after social transfers were taken into account.

In the latest year of available data, income inequality was largely unchanged, and it has remained steady from the beginning of the recession. Looking over that during 2008-2009 and 2009-2010, there has been growth across much of the income distribution, with the highest at the very top and relatively robust growth at the bottom of the income distribution - likely to reflect real-terms increases in benefits and tax credits seen over the periods. Those in the middle of the distribution saw relatively little growth.

Considering the 13-year period of Labour government as a whole, income inequality has increased. However, this increase in inequality is much smaller in magnitude than the rise in inequality which occurred during the 1980s. Moreover, inequality would have increased still further without the discretionary changes to taxes and benefits made by Labour during its 13-year period of government.

The most widely-watched measure of relative poverty in the United Kingdom is the proportion of individuals with household incomes below 60 per cent of the contemporary median. In the latest year of available data - 2009-10, the number of individuals living below this poverty line fell by 500,000 measuring incomes before housing costs but was unchanged measured after housing costs.

While Labour was in office, headline rates of relative poverty fell from 19.4 per cent in 1996-1997 to 17.1 per cent in 2009-2010 before housing costs and from 25.3 per cent to 22.2 per cent after housing costs. These falls in poverty were not continuous; poverty generally fell up

to 2004-20505, rose for three years in a row and then fell again during the recession up to 2009-2010.

A recent *Child poverty strategy* lays out the government's proposals for meeting the 2020 targets for the 'eradication' of child poverty. It emphasises increasing employment through welfare reform and additional childcare, and reductions in education and health inequalities. It also introduces a number of new indicators which will be tracked in addition to the legislated income-based targets. There are sensible reasons for broadening measures of poverty beyond those based purely on income. However, it is doubtful whether these policies will be enough to meet the extremely ambitious targets, particularly given the significant cuts to benefits, tax credits and public service spending planned in the years ahead.

There is no question that the Cameron government's commitment to austerity will open a path to pain and stagnation to the poor of the United Kingdom. They will be forced to suffer through years of unnecessarily high unemployment. They will also have to endure cutbacks in support for important public services like healthcare and education.

For now, it looks like things are going just as standard economic theory predicts: the economy is slowing and unemployment is likely to rise. Maybe the British populace will tire of the rhetoric of austerity as a way to make politicians 'feel good' about tightening other people's belts. Maybe the Liberal Democrats will break away from the Coalition and force new elections.

The conclusion should be in any way that austerity does not work and should not be tried.

By mid-October 2011 unemployment in the United Kingdom had jumped to its highest level since 1994, with young people hit hardest as private companies fail to make up for job losses in the public sector, piling pressure on the government to boost a stagnant economy. The government was quick to blame the rise in unemployment to 2.57 million on the 'Global Financial Crisis' and the Euro zone turmoil. But calls for it to ease its austerity plans increased as fears of a 'lost generation' of young people without hope of a job were growing. Economists also warned that people should brace for more bad news as employment numbers tumbled at recession-style rates. Deep cuts in state spending would eliminate more than 300,000 public sector jobs in coming years.

Less than a week after the Bank of England launched a fresh round of stimulus to prevent a recession, the bank's leading economist told *Reuters* news agency in an interview that the economy was likely to weaken further in the final quarter of 2011. The Office for National Statistics informed that the number of people without a job on the International Labour Organisation measure jumped by 114,000 in the three months to August 2011 to 2.57 million, the highest total since October 1994.

By October 2011 the jobless rate hit 8.1 per cent, the highest since 1996. Youth unemployment rose to 991,000, its highest since records began in 1992, driving the jobless rate among eligible 16- to 24-year-olds to 21.3 per cent. The number looked set to exceed the psychologically important 1 million mark. The government had been banking heavily on private firms to provide enough jobs to make up for the losses of public sector jobs, but economists said the drop in employment was worrying. The number of people in work had plunged 178,000 in June-August, the biggest drop since mid-2009 and the kind of decline which previously has only been seen during recessions.

Unions seized on the dire numbers to mount a fresh attack against the government. They charged that in the middle of the worst international recession for 80 years the government itself was creating unemployment with 250,000 public sector posts already gone and still more to come. Clearly the government policy was hurting and not working.

The Coalition of Conservatives and Liberal Democrats wants to boost growth through lower corporate taxes, fewer labour market regulations and other supply-side measures. The Chancellor of the Exchequer, George Osborne had also announced a scheme to funnel loans more directly to credit-starved smaller firms, though this plan may not take effect any time soon.

Meanwhile the Bank of England had swung into action and begun to pump an additional 75 billion pounds (AU$ 112 billion) into the economy in order to prevent a renewed recession. But doubts remained over whether this would be enough of a boost for the economy, which had barely grown over the previous year as consumers faced a combination of soaring prices, higher taxes and slow wage increases.

The Office for National Statistics' figures showed that real incomes were still falling as pay increases fell even further behind inflation rates of nearly 5 per cent. Average weekly

earnings including bonuses grew by 2.8 per cent. Analysts had forecast a rise of 2.9 per cent. Excluding bonuses, earnings rose only 1.8 per cent, below analysts' forecasts of 2.0 per cent.

The Joseph Rowntree Foundation survey, *Monitoring poverty and social exclusion 2011*, published at the end of 2011, revealed the terrible scale of entrenched poverty in the United Kingdom.

The Rowntree report is based on data collected by the Department for Work and Pensions for 2009-2010, the latest year for which full data are available. Rowntree's previous report, from 2008-2009, found that 13.5 million people - 22 per cent of the population in the United Kingdom - lived in poverty. The Rowntree figures reveal that in the 2009-2010 period, 22 per cent of the population were still officially living in poverty. The report also deducts housing costs and housing benefits from household income, and factors in the numbers, and ages, of people living in a household. On this basis, after taxes and housing costs had been deducted, 60 per cent of median income was calculated at 124 pounds (AU$ 185) per week for a single adult and 214 pounds (AU$ 320) for a couple with no children. It stood at 210 pounds (AU$ 314) for a single parent with two young children and 300 pounds (AU$ 450) for a couple with two young children.

The level of 'deep poverty' - household incomes of less than 40 per cent of the median - was also very high, with 10 per cent of the population affected. Poverty among children stands at 29 per cent and for old age pensioners at 16 per cent. The majority of people in poverty in Britain today are not those forced to live on lower than subsistence level welfare benefits, but are part of growing number of 'working poor'.

The Rowntree report found that "Among working-age adults in poverty, 53 per cent live in working families (that is, either they or their partner are working)." Since 2001-2002 the increase in the number of working-age adults in poverty was 2 million. In 2009-2010 the number of working-age adults in working families who were living in poverty stood at 4 million.

Millions of children continue to live in poverty. In 2009-2010, 2.1 million children, more than half of all children in poverty, were living in working households. Child poverty is set to soar as a result of the austerity measures being imposed by the Conservative-Liberal Democrat government. The Exchequer's own figures were drawn up after Chancellor George

Osborne's autumn budget statement acknowledged "an estimated increase of around 100,000 in 2012-13" in the child poverty figure. The government then attempted to claim that the Consumer Price Index rate of inflation was currently higher than the growth of average earnings, asserting that increasing benefits by the C.P.I. rate of inflation would eventually cause child poverty to fall.

This manipulation of figures was challenged by the Institute of Fiscal Studies, which confirmed that up to 100,000 more children would be pushed below the poverty line as a direct result of government policies.

Another study by Rowntree, published in October 2011, forecast that a further 700,000 children will be pushed into poverty by 2020. The latest Rowntree report detailed the devastating extent of underemployment and unemployment in the United Kingdom. As a result, "in the first half of 2011, some 6 million people in the UK were underemployed. This had changed little from 2010. Underemployment had not been this high since 1993."

Unemployment has risen markedly since the period analysed by Rowntree, when 2.5 million people were officially unemployed. In the three months to October of 2011 unemployment hit its highest level since 1994, when it shot up by 128,000 to 2.64 million.

By the end of 2011 the Chartered Institute of Personnel and Development think tank warned that unemployment would continue to rise to 2.85 million in 2012, stating that the private sector would not be able to offset the 120,000 jobs set to go in the public sector. However, the C.I.P.D. report appeared to be wildly optimistic, as its figures are premised on there being no widespread new job loss losses in the private sector and a "relatively benign outcome to the euro zone crisis."

According to official figures, up to 710,000 public sector jobs will be lost by 2017. Tens of thousands of people have also been arbitrarily deprived of unemployment and disability benefit payments.

Rowntree's study examined the scale of 'fuel poverty' in the United Kingdom, which has risen drastically over the last decade. The report stated: "The proportion of households who struggle to keep their homes warm has risen for all tenure types since 2003. That year, around 6 per cent of all households were in fuel poverty." Furthermore, "By 2009 18 per cent of all

households, and 21 per cent of those in rented accommodation (social or private), were in fuel poverty. This threefold increase is the steepest of any indicator in this report. In 2009, some 4 million households were in fuel poverty." This figure has been superseded by the huge growth in 'fuel poverty', from nearly one in five households in 2010 to one in four in 2011. According to a recent report by statutory consumer body Consumer Focus, a quarter of all households in England and Wales have now fallen into 'fuel poverty'. The government had previously forecast that 2011 would see 4.1 million households in the United Kingdom in 'fuel poverty', but the Consumer Focus figures reveal that there were already more than 5 million households in 'fuel poverty' in England alone.

In 2012 millions more people would be thrown into poverty due to the more than 2.5 billion pounds (AU$ 3.8 billion) of reductions to tax credits, which top up the income of low income families. It was forecast that 2012 would have been the year cuts bite deepest.

Low- to middle-income households would receive 56 per cent of all tax credits in cash terms and would be hit disproportionately. A couple with two children and an income of 40,000 pounds (AU$ 60,000) a year would have seen their income fall by 8.9 per cent in 2011 and 2012, and by 14.5 per cent by 2013-2014.

In some of the poorest areas of the United Kingdom, between 40 and 50 per cent of children live in poverty, with areas of London featuring heavily.

The *Child poverty map of the UK* classified poverty as families claiming out-of-work benefits or in-work tax credits where income is less than 60 percent of the median - 25,000 pounds (AU$ 37,000) a year. At below 60 per cent of the median income, material deprivation leads to families struggling to meet basic needs like food, heating, clothing and the extra costs of schooling such as school trips. After housing costs, household bills and general family spending needs will have to be met by approximately 12 pounds (AU$ 17) or less per family member a day. For those families on benefits, this figure can be substantially less.

The figures used to compile the report by the *Campaign to end child poverty* were taken from tax credit data showing the number of families with children living on low incomes in a given local authority, parliamentary constituency or ward in the United Kingdom. It is considered

to be an accurate and up-to-date picture of child poverty in the country as recently as mid-2011.

Items: - London has some of the most deprived areas. Tower Hamlets borough, with a population of nearly 238,000, is the worst affected, with 52 per cent of children living in poverty. Islington is at number two, with Hackney, Westminster and Camden also in the top 10.

- Manchester came out as third worst in the country, with the Manchester Central constituency recording a child poverty level of 49 percent. In Manchester overall, 40 per cent of children are living below the poverty line.

- In Scotland, the Springburn area of Glasgow has 52 per cent children living in poverty, and 44 percent in the northeast area of the city.

"The child poverty map paints a stark picture of a socially segregated Britain where life chances of millions of children are damaged by poverty and inequality." said the *Campaign to end child poverty* executive director.

The United Kingdom has one of the highest rates of poverty in the industrialised world, with 4 million - almost one in three children - currently living in poverty. This number has increased dramatically in the last 30 years. In 1979 there were around 1 in 10 children living in poverty. Inner urban areas are generally much higher.

The unprecedented austerity programme being imposed by the Conservative Party/Liberal Democrat government, including drastic cuts in social benefit entitlement and wage freezes as well as rises in fuel and food prices, is making it more difficult for families to survive. This trend in increasing poverty and misery for millions of children in the United Kingdom is set to rise, with the Institute for Fiscal Studies predicting that the figure for child poverty will rise by 400,000 by 2015, with a couple with two children expected to be worse off financially by 1,250 pounds (AU$ 1,855) a year.

The trend in rising child poverty has taken place ever since the election of Margaret Thatcher's Conservatives in 1979, driven by the offensive waged against jobs, wages and welfare provisions. For all Labour's hand-wringing about the plight of poor families, and Prime Minister Tony Blair's personal pledge to "end child poverty" in a generation, the gap

between the rich and poor reached record levels under Labour's rule. Even though it was targeted for special attention, child poverty fell just a few percentage points, from a high of 33 percent in 1998, in a period of economic boom. It is now climbing and set to go beyond its previous high.

The Conservative/Liberal Democrat government's policies will throw further millions of people into poverty. Early this year the government was preparing legislation to cap the total benefit payment which can be received by a household to 26,000 pounds (AU$ 38,850) per year. The cap affects those in areas with high housing costs, with 55 per cent living in Central London. The move amounts to a form of social cleansing. The measure is reported to save 270 million pounds (AU$ 401 million) towards the government's overall target of cutting a massive 18 billion pounds (AU$ 26.7 billion) from the welfare bill in the lifetime of the parliament. The *Observer* reported a leaked government memorandum suggesting that just this one measure would have pushed 100,000 children below the poverty line - an indication of how many will suffer the same fate as a result of overall cuts many times that figure.

The resulting picture was one of a world of misery, social dereliction, mixed-up values and reprehensible moral shortcomings.

For instance: it was confirmed by the news that, according to the Land Registry, the United Kingdom was losing more than 1 billion pounds (AU$ 1.5 billion) in tax as the rich and famous had registered some 94,760 properties - from townhouses and castles to country estates - into offshore companies.

How could such worldly extremes where some are wealthy beyond measure, and others are pushed to the outer edges of society and forced to live a type of twilight existence, be tolerated ?

The condition is even harsher for young migrants. According to *Children's society* some asylum seekers only receive half of what a comparable British family would receive in income support. It is a bleak assessment of how the welfare system treats asylum seekers. Unlike traditional benefits, which are increased every year to take inflation into account, welfare payments to asylum seekers are increased at the discretion of politicians. With the

Border Agency considering whether to raise these benefit levels, charity organisations and senior Liberal Democrats are arguing for more cash.

The *Children's society* informed that current payments are "unacceptably low", forcing thousands of very vulnerable children to face severe hardship every day. It said that a single person seeking refuge in Britain would receive 37 pounds (AU$ 55) a week to live on - just a little over a half of what is paid to a British citizen.

A piece of research, published at the end of May 2012 by Unicef - the United Nations Children's Fund, suggested that the government's austerity drive was set to reverse the strides made in reducing child poverty.

The study indicates that during the early years of the recession, the United Kingdom was more successful than other rich countries in reducing child poverty and protecting children from deprivation, but warns that spending cuts will swiftly undermine this progress.

Unicef''s Report Card 10, *Measuring child poverty*, argued that the United Kingdom's success in reducing child poverty over the last decade was the result of the previous government's drive to increase household incomes by introducing tax credits and improving public services for children.

True, the United Kingdom missed the target set by Tony Blair to cut the number of children in poverty to 1.7 million by 2010, but the country still saw a large reduction in child poverty as a result of government intervention, said Unicef. In 2009-2010, the last year for which figures are available, 2.6 million children in the United Kingdom were below this poverty line, according to the definition in the target.

The Report noted that in a downturn children are first to drop off the policy agenda, and said that it is evident that "frontline services for families are everywhere under strain as austerity measures increase the numbers in need while depleting the services available. It is also clear that the worst is yet to come." ... "Many families, even those on low incomes, have some form of 'cushion' - whether in the form of savings, assets or help from other family members - by which to maintain spending during difficult times. There is therefore almost always a time lag between the onset of an economic crisis and the full extent of its impact. Failure to protect children from poverty is one of the most costly mistakes a society can

make. The heaviest cost of all is borne by the children themselves. But their nation must also pay a very significant price - in reduced skills and productivity, in lower levels of health and educational achievement, in increased likelihood of unemployment and welfare dependence, in the higher costs of judicial and social protection systems, and in the loss of social cohesion. The economic argument, in anything but the shortest term, is therefore heavily on the side of protecting children from poverty."

Unicef warned that during times of economic recession, in the scramble to effect immediate change, all planning for future generations is perceived as of secondary importance. This is highly problematic, not only because future planning is negated in favour of a short term outlook, but because a child's current living situation is under escalated risk during times of financial crisis. Children, as one of the most vulnerable groups of people, cannot be left out of the equation especially in times of financial recession.

The Unicef Report stated that levels of 'relative' and 'absolute' child poverty in the United Kingdom are expected to reach 24 per cent and 23 per cent of children respectively by 2020 - compared to the target figures of 10 per cent and 5 per cent set by the previous Labour government. The United Kingdom now has a higher rate of child deprivation than the Netherlands and all of Scandinavia.

The shadow minister for children and families, Sharon Hodgson, commented: "This independent report suggests that much of the good work that Labour did to address child poverty is being undermined by the Tory-led government … government cuts that go too far and too fast and the double-dip recession created in Downing Street will actually push more children and families below the breadline."

There was growing speculation over whether the government, which in 2010 had signed up to legislation committing it to a 2020 target to end child poverty, would seek to abandon the relative poverty definition. The Centre for Social Justice - founded by Iain Duncan Smith, the Secretary for work and pensions, when he was in opposition - had called on the government to scrap "crude and flawed yardsticks" for measuring child poverty. Obviously, he knew better.

Still, the informal opposition would not let up. And it had good ground for it.

At present, in the United Kingdom, 4 million children live in poverty, according to the organisation *End child poverty*, demonstrating the extent of this failure. All mainstream political parties have signed the *Child Poverty Act* of 2010, which aims to eradicate child poverty by 2020. Whilst achievements to date are unsatisfactory, there has been some progress over the past decade and Unicef warned that current and proposed austerity measures will unravel any recent progress made in tackling child poverty.

There is recognition that child poverty is one of the most crucial indicators for measuring successful social cohesion, a marker of wellbeing and future prosperity of any given nation. Long-term effects of child poverty include: issues in education, employment, mental and physical health problems and difficulties with social interaction. The standard of living encountered during a person's childhood is recognised as being instrumental in shaping her/his future.

The Coalition government had proposed changes to child benefit; however, major inconsistencies regarding financial eligibility led to strong opposition and initial proposals were re-drafted, highlighting the governments' incompetence in making basic calculations. The *Child Poverty Action Group* had already warned that the proposed cuts to child benefit will have an adverse effect on children's wellbeing. They questioned the moral issue of using children as a battlefield for austerity.

Austerity measures may affect minors in quite subtle ways. There is another type of poverty, one which is more difficult to define and quantify - that of emotional poverty. As the unemployment rate soars, many households are experiencing joblessness for the first time. Children are far from immune from the negative effects of austerity. The additional stress levels, lack of funds and general loss of confidence experienced by parents and family members must impact upon children also. It has been proven that unemployment can become cyclical for generations of families. These children are feeling both the direct and indirect outcomes of unemployment and austerity measures likely affecting their own participation in the workplace in future years.

In Scotland's major cities, such as Glasgow and Edinburgh, the situation is much worse than

in the rest of the country. Glasgow has some of the worst Scottish Index of Multiple Deprivation rates in the country. *End child poverty* recently revealed that 15 council wards out of 21 were classified as 'poverty blackspots' with 30 per cent or more children below the breadline. Figures reach 50 and 52 per cent in Calton and Springburn respectively, well above the national average of 20 per cent. *End child poverty* emphasised the necessity for government intervention to address the unemployment rate, linking this one factor directly to child poverty.

Unicef is not alone in linking austerity to increasing child poverty. The Institute for Fiscal Studies stated recently that child poverty rates are about to soar due to the government's austerity agenda. Austerity measures are proving a complete failure, exacerbating the problems of unemployment and thereby increasing levels of child poverty. State-direction job creation, along with relevant supporting policies, is the route to success in lowering the rate of child poverty in the United Kingdom. The 'Lost Generation' will not just be those currently leaving school to no jobs and no higher and further education places, but the generation before them who are too young to be aware of their disappearing future. To put the brakes on this depressing picture Britain needs to end the madness of austerity. The chief executive of Unicef said that "government policies to tackle the deficit must not harm children. There is only one chance at childhood - we cannot see a generation growing up in austerity denied the chance to fulfil their potential."

The child poverty rate, though currently thought to be stable, is predicted to begin rising again in 2013.

A spokesperson for the *Child Poverty Action Group* told the media that the Group is concerned that "child poverty is about to dramatically worsen. Independent analysis by the Institute for Fiscal Studies suggests child poverty will surge by 100,000 children a year due to the government making children and families a prime focus for their austerity agenda." He said that the 20 billion pounds (AU$ 30 billion) in cuts to the welfare budget by this government was bound to have an effect on children and families on low incomes. "There are too many people out of work; - he said - while too many people in work are on such unfair levels of pay. The cost of housing alone is so out of control that this contributes

1.2 million children to the total of 3.8 million living in poverty in the UK."

The deputy Prime Minister, Nick Clegg would attempt to answer the government's critics by his announcement that almost 1,000 two-year olds from the most disadvantaged families who were due to start receiving free nursery education from September next year will now receive it in September this year. And a spokesperson for the Department of Education said: "We are pleased that Unicef's conclusions affirm the investment this government is making."

Labour claimed that there is a 9 billion pounds (AU$ 13.3 billion) 'black hole' in the welfare budget due to increased spending on job-seekers allowance and housing benefit.

However, a separate report by the think tank Centre for Social Justice, disputes the success of this and past governments in tackling child poverty. A spokesperson said: "We have to redefine what we mean by poverty and tackle the root causes of poverty and not the symptoms." He pointed out that in real terms the United Kingdom is behind Slovakia and Estonia in terms of child poverty and that statistics tell us little about this complex issue. He added that the breakdown in family life, which has mushroomed in the country in the past generation, is more to blame for child deprivation and that single parents were often worse off financially.

Dismissing Ed Miliband's performance as Labour leader, the general secretary of the powerful Public and Commercial Services Union said that the trade union movement was now the 'de facto' opposition, and must seek alliances with other groups, including *UK Uncut* and *Disabled People Against Cuts*. He charged the Chancellor of the Exchequer, George Osborne with 'institutionalising poverty' in Britain's poorest areas with a budget set to tighten the squeeze on public sector pay while reducing the tax rate for high earners. "You also need to embrace more direct methods of getting your case across. And I think that's the way we see things going forward." he said. In 1999 Prime Minister Tony Blair made a remarkable pledge to end child poverty, and over the subsequent decade he and Gordon Brown carried out a multi-faceted anti-poverty campaign. Their New Labour government did not succeed in ending child poverty, but they did make a substantial dent, reducing child poverty by more than half if measured in absolute terms.

Labour's success in cutting the number of children growing up in poverty could be reversed, according to Unicef. Britain did better than many other rich countries in protecting children from deprivation after the financial crisis erupted in 2008, Unicef said in its annual "report card" on 35 developed nations. But it warned that the Coalition's cuts to tax credits and freeze on child benefit will reverse this progress.

The government's spending cuts will have a "catastrophic" effect on British children, Unicef again warned, endangering their future health, education and employment.

"We know that the number of children living in poverty in the UK is set to increase due to spending cuts." said David Bull, the executive director of Unicef UK. "This will be a catastrophic blow to the futures of thousands of children, putting at risk their future health, education and chances of employment. " ... "One thing is clear: government policies to tackle the deficit must not harm children. There is only one chance at childhood - we cannot see a generation, growing up in austerity, denied the chance to fulfil their potential."

Under the *Child Poverty Act* enacted under Labour, the country's relative child poverty rate is due to be halved to no more than 10 per cent by 2020 and absolute income poverty - defined as living on an income below 60 per cent of the median, about 26,000 pounds (AU$ 38,430) cut from 20 to 5 per cent. But Unicef warned that the figures could reach 24 and 23 per cent respectively by 2020 - well short of the legally binding targets, even though they have been adopted by the Coalition.

Unicef's Report said the previous government achieved one of the largest reductions in child poverty by providing tax credits, cash transfers and accessible public services. But it said that the United Kingdom now has a higher rate of child deprivation than Denmark, Finland, Iceland, Ireland, Luxembourg, the Netherlands, Norway and Sweden. Unicef's league table takes account of whether children have access to 14 items including three meals and fresh fruit and vegetables every day; books; outdoor leisure equipment such as a bicycle; the internet and the opportunity to celebrate special days such as birthdays.

The United Kingdom has a higher percentage of children in poverty: 12 per cent than 21 of 35 economically advanced countries surveyed.

In Britain 800,000 three- and four-year-olds already enjoy up to 15 hours of free early education every week. Ten areas will trial the entitlement for two-year-olds from this September: Blackpool, Cornwall, Greenwich, Kent, Lambeth, Lancashire, Newcastle, Northamptonshire, Peterborough and Rotherham.

The Deputy Prime Minister said: "We're revolutionising the early start our children get in life - there will be more free childcare, it will be higher quality, and it will be more flexible for parents. ... Every child should have a fair crack of the whip from the start and be able to go on to fulfil their potential."

However, Labour claimed that there is a 9 billion pounds (AU$ 13.3 billion) 'black hole' in the welfare budget due to higher than expected spending on jobseeker's allowance and housing benefit. It blamed the 'failure' of the flagship Work Programme, under which private firms and charities are paid to move the jobless back to work.

Statistics to be published on 14 June were likely to show that the halfway target promised by Blair had been missed.

The political parties would have a big squabble over their respective records. Labour supporters would say that a lot of progress was made. Coalition supporters would wonder whether there was as much progress as there should have been, given the billions spent. And there would be another round of debate about changing the target.

Britons are being caught in a 'perfect storm' of rising living costs and falling incomes at a time of cuts to public services which threaten to return the country to levels of inequality not seen since Victorian times, would say a paper by Oxfam GB, the leading British charity fighting global poverty.

The charity organisation, best known for its campaigning on development issues abroad, would say that Britain's 13.5 million poor people are being hit hardest by the government's deficit reduction strategy because of the "wrong balance" between tax rises of 29 billion pounds (AU$ 40 billion) and public sector cuts of 99 billion pounds (AU$ 146 billion).

Oxfam warned that rising unemployment, involuntary part-time working, pay freezes and cuts in benefit levels are leading to the "biggest real-terms fall in incomes since the mid-

1970s." It said that the median income would drop by 7 per cent between 2009-2010 and 2012-2013.

On 14 June 2012 Oxfam released a briefing paper: *The Perfect Storm: Economic stagnation, the rising cost of living, public spending cuts, and the impact on UK poverty.*

The paper was timed to coincide with the release of the latest unemployment data, which was expected to reveal an increase in the number of working people living in poverty. At present six in every 10 of the 7.9 million working-age adults in poverty are from working households. The result is that many poor people in work need state subsidies to get by. This is starkly demonstrated by number of housing benefit claimants in work, which more than doubled between November 2008 and February 2012 to 878,000.

The paper warned of an assault from all sides on Britain's poor, caused by a toxic combination of rising unemployment, declining incomes, increased cost of living, public service cuts, benefit cuts, housing shortages and weak labour rights.

The government's rapid deficit reduction measures are hitting the livelihoods of almost everyone in the United Kingdom - the paper said - but the particular approach taken is hurting people living in poverty the most. The focus on cutting public spending rather than raising taxes is deeply regressive, and the blend of tax increases chosen is itself regressive. In addition, both public spending cuts and the tax and benefit changes introduced by the government will have a significantly more negative impact on women than on men. At the same time, we are seeing a synergy of economic and social needs. Protecting the incomes of the poorest people is crucial for both social and economic reasons. It is people on low incomes who are being hurt the most by the 'perfect storm', and increasing the incomes of the poorest will have the strongest multiplier effect on aggregate demand in the economy. By prioritising and targeting social and economic investment, the government can ensure that it protects the services upon which those in poverty most rely, while helping to boost demand and provide investment in the long-term productive capacity of the economy.

Oxfam was calling for decisive action to safeguard the increasing number of British people living in poverty, which shames the United Kingdom as one of the richest countries in the world.

While such a paper would not be so surprising if it came from the likes of, say, *UKUncut*, this was from a major charity organisation more usually associated with providing aid to the developing world. That Oxfam now should feel it necessary to speak out about the way government treats its own poor may speak volumes about the increasing levels of inequality and hardship on Britain's doorsteps.

The number of homeless families, in England in particular, has risen sharply in the past year. In total, 50,290 households were given accommodation by local councils - a rise of 14 per cent since 2010-2011. The number forced to live in bed-and-breakfast accommodation rose by 44 per cent to 3,960.

The Oxfam paper said that the number of people in temporary work because they cannot find a permanent job has risen by 73 per cent, meaning there are now 1.4 million "frustrated part-timers" in the United Kingdom.

Since the beginning of the recession in 2008, 830,000 permanent full-time jobs have been lost while half a million part-time jobs have been generated.

The paper also said that average earnings fell by 4.4 per cent last year while the cost of food has risen by 30.5 per cent in five years.

In a statement, the Cameron government would say that it "believes that the focus on income over the last decades has ignored the root causes of poverty and in doing so has allowed social problems to deepen." ... "Our social justice strategy is about providing support to transform lives and tackle the multiple and interlinking disadvantages of poverty, including early intervention, better educational outcomes and *worklessness*." Is that Orwellian for 'unemployment' ?

Reacting to the paper, a spokesperson for the Department for Work and Pensions said: "Over the last decade vast sums of money have been poured into the benefits system in an attempt to address poverty - 150 billion pounds (AU$ 221.5 billion) were spent on tax credits alone between 2004 and 2010. This approach has failed, with the United Kingdom likely to miss its own 2010 child poverty targets. We need to address the root causes of poverty including worklessness." ... "The Universal Credit will replace a complex mess of benefits and tax credits and make work pay." ... "It is estimated that Universal Credit could lift

350,000 children and 550,000 adults out of poverty."

Labour's welfare spokesperson, Liam Byrne, said that "work no longer pays for thousands of British families because of this government's botched reforms." ... "Whether it's changes to tax credits making families better off out of work, or failed economic policies holding back jobs and growth, ministers are getting things badly wrong and hard-working families up and down the country are paying the price." he said.

The Methodist Church, the Baptist Union of Great Britain and the United Reformed Church were accusing the government of continuing a trend of blaming the poor as new proposals to redefine poverty are announced.

In 2006 Prime Minister David Cameron promised to measure poverty in relative terms, which take account of what people need to live on. But announcements made on 14 June signal a definitive shift away from this focus, with plans to measure poverty in terms of drug addiction, homelessness and unemployment, rather than income levels. The churches said: "These proposals risk further stigmatising the poor in the eyes of voters and the media." ... "It is universally acknowledged that poverty is a relative concept. These proposals seek to undermine the idea that relative poverty matters, by focusing on other issues. At its worst it will seek to measure the 'faults' of the poor, further blaming them for poverty. ... "We are called to stand alongside the poorest and most vulnerable in society. By focusing on issues like addiction, which only affects a tiny minority of people who are poor, the Government is blaming the poor for poverty and detracting from the real issues. Recession, low pay and decreasing benefits are driving poverty and none of these are the fault of the poor." ... "These new measures relate more to the Government's perception of poor people than to the real scale of poverty." ... "Factors like addiction are important, but they are not a measure of poverty."

The churches supported the *Living Wage Campaign*, which calls for every worker in the country to be able to earn enough to provide the family with the essentials of life.

And yet, even obtaining an employment is no guarantee of escaping poverty in modern Britain, according to Oxfam, as new government figures, issued on the same day as the report's, were expected to show a rise in the "working poor."

'The Perfect Storm' argued that the government's deficit reduction strategy, is disproportionately hitting those on the lowest incomes. It argued that a 'perfect storm' of

factors including rising increasing unemployment, lack of reasonably paid jobs, rising living costs, falling incomes and the proposed deep cuts to welfare and public services are buffeting the United Kingdom's most vulnerable citizens.

The paper's publication was timed to coincide with release of the government's latest data on Households Below Average income later in the same day of publication of the report. Such data are expected to reveal an increase in the number of working people in the United Kingdom living in poverty. Currently six in every 10 of the 7.9 million working-age adults in poverty are from working households.

Oxfam's Director of *UK Poverty* said: "Despite the Government's rhetoric about making work pay, having a job is no longer necessarily enough to lift someone out of poverty; more working age adults in poverty now live in working households than in workless ones. The Government is justifying huge cuts to welfare support for people on low incomes by saying this will incentivise work, but there simply aren't enough decent jobs available."

Oxfam called on the government to reverse its cuts to working tax credits and to increase the minimum wage, which has fallen or been frozen in real terms in each of the last four years.

The charity warned that inequality is growing in the United Kingdom, as the gap between the earnings of rich and poor widens. United Kingdom average earnings shrunk 4.4 per cent last year, while the incomes of The Financial Times Stock Exchange 100 company directors rose by 49 per cent.

Commenting on the paper, Oxfam's director of *UK poverty* would say: "Despite the Government's rhetoric about making work pay, having a job is no longer necessarily enough to lift someone out of poverty." ... "More working-age adults in poverty now live in working households than in workless ones." ... "The Government is justifying huge cuts to welfare support for people on low incomes by saying this will incentivise work, but there simply aren't enough decent jobs available." ... "We need to see income being distributed more fairly if we are to make any impact on reducing levels of poverty."

The director added: "We need to see income being distributed more fairly if we are to make any impact on reducing levels of poverty; *if we carry on down this path the UK will return to levels of inequality not seen since Victorian times.*" [Emphasis added]

The situation is, briefly, this: Britain has become an increasingly unequal society since 1979, but the recession did briefly flatten gains for the richest. Oxfam said that the initial "progressive" response to the downturn saw incomes growing fastest for the poorest fifth: 3.4 per cent, and slowest for the richest two-fifths: 0.3 per cent, between 2008-2009 and 2009-2010. But there has been a short, sharp entrenchment of inequality in the past two years. In 2011 the earnings of the Financial Times Stock Exchange 100 executives went up by 49 per cent, while the annual pay of ordinary workers fell by between 3.4 and 11 per cent. The average director at Britain's top 100 companies now earns 145 times more than their average worker.

"On current trends, by 2035 this inequality will reach levels last seen in the Victorian era." said the Report, at a time when the authors say the United Kingdom has "weaker protection for those in work than Mexico."

Oxfam Briefing Paper said in particular:

"The combination in the UK of economic stagnation and public spending cuts is causing substantial hardship to people living in poverty. This amounts to a 'Perfect Storm' of falling incomes, rising prices, public service cuts, benefit cuts, a housing crisis, and weak labour rights. By making different political choices, the government can both protect people in poverty and help to stimulate economic recovery in the short term, and set the UK on the way towards economic, social and environmental sustainability in the long term."

And the paper went on:

"The UK is facing a set of serious, interlocking challenges. The economy is stagnating, unemployment is increasing, prices are rising, incomes are falling, and spending on public services is being cut back rapidly.
In this paper, Oxfam has taken its experience of working with partner organisations across the UK and the stories of individuals with whom those partners work, together with a wider analysis, to outline the reality of these challenges for people living in poverty.
For the 13.5 million people who currently live in poverty - a fifth of the population - the combined impact of all these challenges is creating a 'Perfect Storm' that is pushing already fragile livelihoods to breaking point."

The reality of poverty in the United Kingdom leads to the following observations:

"The UK is the sixth richest country on earth, yet one in five of its people lives in poverty. Before the financial crisis and the economic recession, prosperity was not shared. The UK is one of the most unequal rich countries in the world, with the poorest tenth of people receiving only 1 per cent of total income, while the richest tenth take home 31 per cent.
The risk of poverty is not one that is shared equally across society.
Twice as many people from ethnic minorities live in poor households compared with white people; women are more likely than men to live in poverty; and, geographically, there are substantial inequalities both between and within the regions and nations of the UK.
Poverty in the UK is about material deprivation: for example, more than a fifth of UK households (5.5 million or 22 per cent) are affected by fuel poverty, and inadequate heating results in thousands of unnecessary deaths each year. But it is also about life and death: premature deaths caused by health inequalities in England each year lead to the loss of between 1.3 million and 2.5 million extra years of life. And people living in poverty have to face stigma and prejudice, and a lack of recognition for the positive, non-financial contributions they make to society."

The impact of the 'perfect storm' on poverty was next considered:

"Since the economic crisis of 2008, those already in poverty have seen their poverty deepen, and millions more have become increasingly vulnerable. A combination of economic stagnation, the rising cost of living, benefit cuts, falling incomes, rising unemployment, and public service cuts add up to a Perfect Storm for the millions already struggling to make ends meet.
The Perfect Storm is already affecting partners with whom Oxfam works in the UK, with increased demand on their services, just as the resources to provide that support are being withdrawn. The coping mechanisms of people living in poverty have included increasing debt, more people relying on food parcels, and women acting as 'shock absorbers', managing budgets and debt and going without in order to ensure that their families have what they need."

There were rising unemployment and declining incomes.

"Average earnings shrank by 4.4 per cent last year. Incomes of the directors of [the Financial Times Stock Exchange] 100 companies rose by 49 per cent.
Incomes are decreasing across most of society due to a combination of rising unemployment (particularly youth unemployment), involuntary part-time working, pay freezes and cuts, and cuts in benefit levels. This is causing the biggest real terms fall in incomes since the mid-1970s.
While real wages are falling for the majority and the National Minimum Wage has fallen over the past four years, rewards at the top have raced away: last year, earnings of directors and chief executives went up by 15 per cent, and those of directors of FTSE 100 companies soared by 49 per cent.
Falling incomes and rising inequality are part of a longer-term trend. In the decade to 2008/09, 40 per cent of total income growth in society went to the richest tenth of people, and a decreasing proportion of gross domestic product (GDP) has gone to wages. It is predicted that, on current trends, the UK will rapidly return to levels of inequality not seen since Victorian times."

The cost of living is increasing daily.

"Food prices have risen by 30.5 per cent in five years. The National Minimum Wage has risen by 12.1 per cent in the same period.
Prices have risen rapidly, particularly in 2008 and 2011, even as the economy has stagnated. This inflation has been driven by food and fuel prices, both of which account for a high proportion of the spending of people living in poverty. In addition, people living in poverty have to pay more than rich people for basic necessities such as gas, electricity, and banking. This 'poverty premium' is estimated to cost them an additional 1,170 pounds [(AU$ 1,748)] a year. Finally, tax rises under the coalition government, such as VAT [Value Added Tax], have been regressive, thus affecting people living in poverty more. The poorest 10 per cent pay twice as much of their income in VAT as the richest 10 per cent.
The Institute for Fiscal Studies (IFS) has calculated that, between 2008 and 2010, the poorest fifth of households experienced an inflation rate of 4.3 per cent, against 2.7 per cent for the richest fifth. The Joseph Rowntree Foundation estimates that the cost of achieving a

Minimum Income Standard – a minimum standard of living, based on a broad survey of what members of the public think constitutes the basic requirements of life – has risen by 43 per cent over the past decade, compared with 27 per cent for general prices."

Much of such hardship is caused by the public service cuts.

"Spending cuts hit the poorest tenth of the population 13 times harder than the richest tenth.
The government plans to achieve the majority of its deficit reduction programme through public spending cuts. Poorer people rely most on public services, and spending cuts are estimated to hit the poorest tenth of the UK population 13 times harder than the richest tenth – with planned reductions to public services being equivalent to more than a fifth of their income being taken away. These cuts mean less health care, reductions in social care, and the loss of hundreds of smaller services such as counselling support, care homes, school crossing patrols, and youth clubs.
Cutting public spending has a particularly strong impact on gender equality, with women more likely to be reliant on public services than men. Cuts to the Sure Start programme in England (while the equivalent in Wales, Flying Start, is being protected by the Welsh government), and the thinner spreading of cash support for childcare support under Universal Credit, will particularly affect women.
Public service cuts also have an impact on unemployment. Public sector employment levels are in steep decline, and women form the majority of public sector employees."

As for welfare reform and benefit cuts, Oxfam said:

"Seventy-two per cent of the benefit cuts announced in 2010 will be paid by poor women.
One of the largest contributions to spending cuts has come from reductions in benefits for working-age people, accounting for 18 billion pounds [AU$ 26.8 billion)] per year by 2014–15. According to the House of Commons Library, 72 per cent of cuts announced in the 2010 Emergency Budget will be met from women's incomes, against 28 per cent from men's. The introduction of Universal Credit will simplify the benefits system, making it easier for people currently on benefits to transition between unemployment and work. Yet, just as the system is simplified, so eligibility is being tightened for many claimants.

These changes are increasing the demands on support services, including those of Oxfam partners. They also create severe hardship: the Trussell Trust food bank network reports that two people out of every five receiving food parcels do so as a result of benefit changes or delays."

There is a dramatic housing crisis.

"The number of Housing Benefit claimants in work more than doubled between November 2008 and February 2012.
Before the recession hit, there was an acute housing shortage. There were 1.77 million households in England on social housing waiting lists in 2008, and 489,400 households living in officially overcrowded homes. Government targets for the building of new homes have been missed, with construction slowing to a crawl since the recession.
The cost of housing has continued to rise in spite of the recession in both the private and social rented sectors, with average rents at record highs and homes unaffordable in more than half of English local authorities.
Newly homeless households increased by 18 per cent in England between 2010 and 2011.
Reforms to social housing are not only increasing rents, but also reducing security of tenure. Above-inflation increases in private rents have been compounded by cuts to housing support, even as the need for that help spreads. The number of Housing Benefit claimants in work more than doubled between November 2008 and February 2012, whereas the number of claimants out of work rose by only 9.3 per cent.
The human cost of scarce and expensive housing is stark. Family life is affected, with people forced to delay having children, or to live away from the support of grandparents, while the cost of housing is forcing millions to cut back on other essential spending, including food and heating, and pushing many into debt."

Finally, labour rights have been enfeebled.

"Since the recession started, 830,000 permanent full-time jobs have been lost, and half a million new part-time jobs created. The number of people in temporary work because they cannot find a permanent job has risen by 73 per cent. The UK has weaker protection for those in work than Mexico.

For a substantial minority in the UK, work is characterised by insecurity, uncertainty over hours, underpayment, a succession of short-term jobs, or a combination of these. There are estimated to be two million 'vulnerable workers' in the UK; decades of deregulation for employers mean that the UK now has the third lowest level of employment protection legislation in the OECD – below Greece, Turkey, and Mexico – and the highest number of zero-hours contracts in Europe (contracts in which a person is required to be on call for work, but has no guaranteed hours of work and is only paid for the hours they do work); and women are in the most precarious and vulnerable work.

Right now, the loose labour market and the shortage of jobs mean that more power rests with employers, and more people are being forced to turn to insecure work, with few rights – or to waive the rights they do have – just to survive. The number of 'frustrated part-timers' – those who want and need full-time work – is at a record high, which is particularly significant as such work is generally low-paid and less secure. A very high proportion of jobs created since the first recession have been part-time, and one in three is a temporary job."

A new approach, said Oxfam, is necessary.

"The government's rapid deficit reduction measures are hitting the livelihoods of almost everyone in the UK, but the particular approach taken is hurting people living in poverty the most. The focus on cutting public spending rather than raising taxes is deeply regressive, and the blend of tax increases chosen is itself regressive. In addition, both public spending cuts and the tax and benefit changes introduced by this government will have a significantly more negative impact on women than on men.

At the same time, we are seeing a synergy of economic and social needs.

Protecting the incomes of the poorest people is crucial for both social and economic reasons. It is people on low incomes who are being hurt the most by the Perfect Storm, and increasing the incomes of the poorest will have the strongest multiplier effect on aggregate demand in the economy. By prioritising and targeting social and economic investment, the government can ensure that it protects the services upon which those in poverty most rely, while helping to boost demand and provide investment in the long-term productive capacity of the economy."

There should be no return to 'business as usual'.

"The UK's economy and society, as currently constituted, are unsustainable – economically, socially, and environmentally. We need a people's bail-out to protect the millions in poverty and the millions more who are increasingly vulnerable. But we also need to ensure that there is no return to business as usual."

The organisation called:

1) to protect the incomes of the low paid**,** reducing the withdrawal rate of Universal Credit from 65 per cent to 55 per cent to ensure that work pays, and increasing the National Minimum Wage at least in line with inflation or average earnings, whichever is the higher;

2) to protect people in poverty from the increasing cost of living, by giving new powers to Ofgem to cap fuel prices; introducing a maximum level of interest; and protecting the Social Fund and expanding its resources, to protect people from exploitation and to guard against problem debt;

3) to protect public services, by using progressive taxation to slow the speed and depth of cuts; ring-fencing the Sure Start grant to local authorities in England; and exploring investing in a national system of universal child care, to make work pay for women and to build the social infrastructure of the country;

4) to protect the social safety-net, by giving local authorities in England and Wales sufficient resources to maintain existing levels of Council Tax Benefit; monitoring the effect of the Housing Benefit and overall benefit caps; reversing the switch from RPI to CPI inflation for benefit up-rating; maintaining real Child Benefit levels; and reversing cuts to child-care support;

5) to provide secure, affordable, decent housing for all**,** by investing in affordable homes to boost the economy and to help solve the housing crisis; and increasing maximum penalties for rogue landlords;

6) to protect rights at work: the weak labour market is adding to the power that employers have over workers, and so it is essential to maintain and enforce the vital protections that do exist for vulnerable workers;

7) to move towards a fairer tax system by clamping down on tax avoidance; introducing a Robin Hood Tax [of 0.05 per cent] on financial transactions [which would raise 20 billion pounds (AU$ 30 billion)], to help protect public services and benefits and ensure that everyone pays their fair share; and exploring options for a land value tax; and

8) to rethink how we measure value: the social damage caused by inequality, high unemployment, and environmental degradation all tell us that it is not growth that matters, but the type and distribution of growth; measuring true social value through a measure of well-being such as Oxfam Scotland's Humankind Index will help us to measure whether what we are doing to fix the economy is really, sustainably benefiting society.

Oxfam put the long-term case for a fairer society.

"There is a strong relationship in the UK between poverty and inequality. The UK is a rich society, but one in which income, wealth, and opportunity are unequally distributed.
Inequality harms those who are shut out from wealth and left in poverty, but there is also substantial evidence that it leads to worse outcomes across society as a whole. Meanwhile, the economic crisis has to a large extent been caused by unsustainable personal debt and a bloated financial sector, both of which were driven by inequality.
Finally, as a whole, the UK economy is environmentally unsustainable."
Oxfam strongly exposed the impact of inequality on individuals and society.

"Inequality has the harshest impacts on those forced to remain at the lower end of the income spectrum, breeding a sense of hopelessness and status anxiety. More broadly, inequality has negative impacts across society as a whole, causing lower life expectancy, less social mobility, and poorer health outcomes, and worsening a range of other social problems. Within rich societies, the way in which resources are distributed is the key determinant of overall well-being."

The organisation strongly put the economic case for greater equality.

"Economic growth over the past three decades has been unequally shared and incomes for low earners have been stagnant, even as incomes at the top have raced away. With those at the bottom trying to keep up, personal debt increased by three-and-a-half times between

1981 and 2007, from 45 per cent to 160 per cent of GDP.
Bridging the widening gap in incomes with borrowing cannot be maintained indefinitely. The World Bank and the IMF have both recently produced evidence showing that reducing income inequality is likely to be important in reducing the likelihood of future crises.
Inequality is also bad for growth and, according to the IMF, reduces the length of growth spells. For example, closing half of the inequality gap between Latin America and emerging Asian economies would more than double the expected duration of a 'growth spell'.

As a recent Oxfam International report on the G20 puts it, "If we factor in the impact on growth, the double dividend of tackling inequality becomes a triple dividend: it directly reduces poverty, enhances the ability of future growth to reduce poverty, and, finally, it improves prospects for growth itself.
In order to effect a lasting solution to the crisis, steps taken to fight economic stagnation and to protect people living in poverty must seek to build a fairer, more sustainable society."

To achieve all that, Britons should rethink what they value as a society.

"It is not growth that matters, but the type and distribution of growth. Oxfam in Scotland has led the development of a Humankind Index, which is based on asking people in Scotland what matters to them and then measuring those things, to see how well Scotland is doing as a society. The UK government should adopt a similarly wide-ranging approach to measuring well-being, to help ensure that steps taken now will build a post-crisis economy and society that sustainably serve the interests of the British people."

Oxfam then concluded:

"The aftermath of recession is seeing economic stagnation, falling real incomes, and public service cuts all hitting people living in poverty the hardest. The combined impact of all of these factors adds up to a Perfect Storm that is pushing people's livelihoods to breaking point.

The crisis we are in could be an opportunity to change thinking about what a fair society looks like, and to build the foundations for overcoming poverty once and for all. We need urgent action right now to reinvigorate both the economy and the social safety-net on which

most of us ultimately rely. But we also need to do so in a way that sets us on the road to a fair, productive, and sustainable society."

Today the United Kingdom is facing a set of serious, interlocking challenges. The economy is stagnating; unemployment is increasing; prices are rising; incomes are falling; and spending on public services is being cut back rapidly. For the 13.5 million people living in poverty the combined impact of all of these factors is creating a 'Perfect storm' which is pushing already fragile livelihoods to breaking point.

When the recession first hit, Oxfam warned that there could be no return to 'business as usual'. This is as true today as it was then. Oxfam also warned that the poorest and most vulnerable people would bear the brunt. Sadly, as this report shows, this is what is happening right now.

In the United Kingdom, Oxfam's anti-poverty programme works with many different partner organisations, developing projects with people living in poverty to help improve their lives, and to show how things can be changed for the better. Working with these groups and individuals has helped Oxfam to understand the impact that the 'perfect storm' is having on people living in poverty. Many of their stories are told in this paper. To deepen its understanding, Oxfam also surveyed all its partners in autumn 2011 about the impact the 'perfect storm' was having on their organisations and on the people they work with. Nearly 50 organisations responded, confirming the depth of the problems, and helping to inform the Oxfam paper.

The paper analysed the factors making life harder for people living in poverty, drawing on Oxfam's own experience, as well as a wider analysis. The paper's narrative is interspersed with the testimony of individuals with whom Oxfam's programme and its partners work. The paper suggested urgent remedies to the immediate crisis, and began to sketch out a longer-term solution to the underlying causes, arguing that a return to pre-crisis business as usual is neither possible nor desirable.

In publishing the paper, Oxfam wished to tell the untold story of the millions of people at the bottom who are feeling the worst effects of a crisis which is not of their making. The paper

was aimed at politicians and decision makers, whose actions can help to mitigate its effects; at the institutions of civil society, the task of which is to develop a blueprint for a fairer society which is both sustainable and economically successful; and at the media, which can help to articulate the reality of the 'perfect storm' for those living in poverty.

It was no accident that Oxfam chose *The Perfect Storm* as the title of its paper. The title is both evocative and suggestive.

It is evocative in that it repeats the title of a creative non-fiction book written by Sebastian Junger and published in 1997. The story in the book is about the 1991 'perfect storm' which hit North America between the end of October and beginning of November 1991, and features the crew of the fishing boat *Andrea Gail*, from Gloucester, Massachusetts, who were lost at sea during severe conditions while long-line fishing for swordfish 575 miles out. Also in the book is the story about the rescue of the three-person crew of the sailboat *Satori* in the Atlantic Ocean during the storm by the U.S. Coast Guard Cutter *Tamaroa.* All six crew members of the *Andrea Gail* went missing, presumed dead. The ship was never found, only a few fuel drums, a fuel tank, an empty life raft, and some other flotsam.

The book was adapted for the dramatic disaster film of the same title, directed by Wolfgang Petersen and released in 2000.

The words 'perfect storm' are also suggestive. They could be used to describe an event which is the result of a rare combination of elements and circumstances which lead to an aggravation of ordinary risks and a catastrophic situation.

Out of metaphor, Oxfam applied the words to the clear and present danger in which Britain finds itself.

But, who reads books anymore ? Who is watching ? Who cares ? Where is the public debate and where is the parliamentary debate of the relevant issues ?

In a 'globalised' world - at least in those areas which seem to interest the real leaders of modern countries - the broad problems and the deriving issues are largely the same.

There is the economy, first and foremost. Seen from Australia - which is in fact largely an economic feud controlled by huge transnational corporations, particularly three mining empires which allow at least for the moment 'the management' by so-called Labor people,

simply because they are ‘more flexible’ and ‘cheaper to keep’ - the economy is going very well, indeed. “No problem” there.

Then there are the difficulties relating to ‘the climate’. Moneyed business operators could privately harbour no illusions that the climate is really changing, but so long as the ‘real debate’ is confined to slogans the *motto* in Australia is the proverbial: “No worries”.

The same market-gamblers know how to avoid any serious discussion of taxation reform.

Ignored are the problems flowing from military adventures, always overseas and best as far away as possible. In different degrees both Australia and Britain have taken their place behind the Wall Street-military-industrial juggernaut. Britain might have been more active - why, it even supplied the false ‘evidence’ of the existence of weapons of mass destruction to the Greatest Partner of them all. Australia limited itself eagerly to send its youth wherever the Great-and-Powerful-Friend requested. It had done so, on a lie, in Vietnam. It continued in clear violation of every international treaty and/or covenant it had ratified when the call to aggression on Afghanistan came. Australia and Britain may share some of the ensuing problems: the arrival of asylum seekers. It is not easy to see what Britain’s reaction is. As for Australia, for the past twenty years governments of different colour have not hesitated: lock them up. If they do not make it to reach *Godsownland*, let them drown - Philistine contrition would follow, more treaties would be breached, a ‘solution’ would be concocted, but ‘the policy’ will not change. The quarreling major political parties finally seem to have found a ‘formula’ which will permit them to reach the bottom of human perversity, while presenting the ‘most humane solution’ - tricky, but not impossible to achieve, when principles have been long abandoned, and ‘managerial ability’ is what counts.

There may be - just maybe - other problems, some of them common to the two places and the populace which are subjects of Queen Elizabeth, who are largely uneducated and profoundly indifferent.

Some such problems concern themselves with the loss of nature and beauty, others - but not many - worry about education, which has long ago become an ‘industry’, not as important in Australia as that of live cattle, but certainly more profitable. The ‘education industry’ is concerned with the ‘production of employment units’ - the rest, as the saying goes, is ‘academic’ = bull dust.

The braying stupidity of the media - with the print largely dominated by Murdoch and the remainder attempting to survive the grab of an aggressive mining operator whose sole qualification is that of having billions galore - now hosts what is referred to as 'politics'. And if Britain is going through the post-*News of the World* protracted scandal, Australia might have avoided that simply by 'dumbing down' the content of the tube.

In Australia, the tube, particularly of the commercial kind - with all its idiotic nonsense - has been for decades the most powerful 'parent' and 'educator', with 'education' and 'public information' having been turned into branches of the televised entertainment industry. In it advertisements mix with lies, misrepresentations, illusions and deceptions. 'Information' consists largely of celebrity gossip, juicy scandals, accidents, crime goriness - the death hour. The enfeeblement of critical ability does the rest.

The result is a new generation of zombies, alienated, drunken, drugged-out, over-medicated, egotistical empty vessels, and always separated from the real world by a mobile phone, who may very well call themselves 'normality'. Normality, of course, is marked by a desperate lifestyle, flowing into a chaotic traffic.

Advocacy and analysis are things of the past, they are no longer the tool of politics, and have been replaced by sloganeering and marketing.

Managerial approach is the substitute for debate. Debate ? What debate ? 'Solutions' are found on the basis of poll collection and analysis. They set the ground for improvised 'principles' - always 'movable', 'interchangeable', and as replaceable as piston rods. They are the rock of the new morality. Hey, *pronto* !

There is one area over which the average Australian has retained her/his control - or perhaps just the appearance of it: it is 'sport' - meaning by that the spectator's support, at times quite bellicose, for a team. What passes for debate - actually a short and inane 'free-for-all' - will call for whatever ability and determination one may have before an event, and resentment almost *ad infinitum* thereafter. Thus understood, 'sport' seems to have turned into a form of fanatic religion for the average Australian. In it s/he believes !

In Britain as in Australia an interminable sport madness has invaded the life of most. Nothing else matters - certainly not ideas, arguments, intellectual activity, which more often than not become a source of abuse.

That people will be called to pay, sooner rather than later, does not matter at present.

Quite likely, in Britain one will never know how much London Olympics 2012 will have cost. Now that 'the event' has passed, not many will care to ask: how much did it cost ? The *plebs* are not concerned with such *minutiae*. Example ? Only an approximate figure can be guessed for the Diamond Jubilee: 3 billion pounds (AU$ 4.5 billion) ? Maybe.

Long before the beginning of the Games, London was taken over by the military.

Early in May 2012 the residents at Lexington Building in London's Bow Quarter received a leaflet from the Ministry of Defence informing them that the Army planned to install a high velocity missile system on the roof of the complex, as part of the security arrangements for the Games. Similar devices would be placed at another locality. According to the Army, these high velocity missiles are "designed to counter threats from very high performance low-flying aircraft." They can travel at more than three times the speed of sound. 'Rapier' missiles would provide limited-area air defence cover against fixed-wing aircraft, helicopters, unmanned air vehicles - drones, and cruise missiles.

The missile systems were a small part of a massive military, police, and security mobilisation in the capital. Britain's largest helicopter carrier, H.M.S. *Ocean*, would be berthed at Greenwich and would patrol the Thames to deploy Royal Navy 'Lynx' helicopters. Advanced 'Typhoon' fighter jets were being stationed at Royal Air Force Northolt, close to the capital, for the first time since the end of the second world war. R.A.F. 'Puma' aircraft and Royal Navy and Army 'Lynx' helicopters would carry teams of R.A.F. snipers to intercept aircraft in restricted airspace.

Naval assets would be deployed to Weymouth Bay and Portland Harbour, where Olympic sailing events were scheduled. These would include H.M.S. *Bulwark*, an amphibious assault warship capable of deploying 'Sea King' helicopters and sending large numbers of troops to shore.

Operations would be directed by airborne surveillance and control aircraft.

In total, some 13,500 military personnel were to be deployed during the Olympics, compared to the 9,500 troops currently operating in Afghanistan.

Alongside the military, some 12,000 police officers would be on duty in the capital during the busiest times. These include officers drafted in from Scotland. The Home Office, ministry of the interior, would be carrying out 'rigorous' background checks on more than 380,000 athletes, officials, workers and media personnel as part of the 'accreditation process' for those who require access to Olympic and Paralympic venues. This would involve immigration, criminal record, and security checks. The Home Office would be the sole arbiter, and declared that accreditation "would be refused to any individual it believes may present a safety or security risk."

Exact figures on the cost of the overall security operations were hard to find. An investigation which employed Freedom of Information requests estimated that 1.1 billion pounds (AU$ 1.6 billion) was being allocated to the police, with the security and intelligence services having a budget of 4.4 million pounds (AU$ 6.5 million). Billions of pounds were provided to the police, military and intelligence agencies to fund a mobilisation of state forces on a scale never seen in London in peacetime.

Not long before the Games began areas of the Royal Dock complex, adjacent to London's financial district at Canary Wharf, became the base for some one hundred super yachts. The complex would be transformed into a Monaco-style marina. Not for the bottomless wealthy to arrive by ordinary means or to put up at ordinary hotels !

Not very far from *Eclipse*, the 1-billion-US-dollar yacht belonging to a Russian billionaire, with 2 swimming pools, 1 helipad, a disco hall, a cinema, a mini-submarine and even its own missile defence system, would be *Ilona*, owned by the Australian tycoon who specialised in building shopping malls. And there would be many other luxurious boats - the temporary 'camping' of the shakers and makers of world business.

Correctly, Prime Minister Cameron said: "The Olympics will not only bring the world's best athletes and thousands of sports fans to our country, but the major business players are coming too. … This once in a lifetime occasion will provide UK companies with more than a billion pounds business opportunity."

In recognition of so much money, on 23 July Queen Elizabeth played hostess to an Olympic reception. The entire International Olympic Committee was in attendance.

It was estimated that the official functions alone would cost up to 100 million pounds (AU$ 150 million); in addition, numerous unofficial events would be held.

According to the International Olympic Committee, "The goal of *Olympism* (!) is to place sport at the service of the harmonious development of humankind, with a view to promoting a peaceful society concerned with the preservation of human dignity."

This is rhetoric at its best. Such statement has long been at odds with the actual function of the Olympic Games, which have increasingly become a quadrennial celebration of nationalism, celebrity and corporate money-making - and never more so than the London 2012 Olympics, which seem to have been deliberately staged by the host government to trample on notions of peace, human dignity and democratic rights.

The British government announced on 12 July that it would mobilise an additional 3,500 troops for security duty at the Olympics, bringing the total number of soldiers, airmen and military police deployed for the event to a staggering 17,000 units.

The Olympic Games were held only a few kilometres from neighbourhoods where mass rioting against police brutality and devastating poverty and unemployment erupted in August 2011, after the police killing of an unarmed father of four. From Tottenham, rioting spread to cities throughout the country, with the Cameron government, the opposition Labour Party, and the corporate-controlled media all denying there was any social reason for the unrest. The official response to the rioting was massive repression and assembly-line prosecution of alleged rioters, who were summarily sentenced to long prison terms in court proceedings which made a travesty of justice.

The total (official) bill for the 2012 Olympics is, *it seems*, approaching 15 billion pounds (AU$ 22.35 billion) - itself an insult to the British poor, and to the working class, which faces non-stop cuts in jobs, wages and social programmes, including education, the National Health Service and old-age pensions. Of this staggering figure, at least half was set aside as "security-related" - including large sums for the military and intelligence services.

But what the Games will finally cost is not likely to be known, with some figures being 'absorbed' in separate, delayed, diluting budgets.

As for Australia, the official cost of participating seems to be, according to the Australian Institute for Sport, a record of AU$ 310 million; translated into dollars-per-medals, and taking into account gold, silver and bronze - that should be about AU$ 10.6 million per piece. The effort has been lambasted as the worst result in 20 years. A leading newspaper has noted with some *chagrin* that 'the arch-rival Great Britain's home Olympic effort, which has far eclipsed Australia's in Sydney in 2000, cost significantly less at $A 7.5 million per medal; Great Britain finished third in the medal tally. The *debacle* will occupy the Australian 'minds' and be the subject of envy, investigations, discussions for months - years probably. Such matters were repeatedly splashed front page !

The misfortune did not prevent the Australian press from sending high paeans to the winners and front-paging their victories. What else is there ?

For a long time now politics - a word more often 'spat out' than calmly deployed - is itself treated as a sporting contest, with its violence, personality clashes, tribalism and quick outcomes. A 'gladiatorial sport' would be the defining words, and fun, and light-headedness. On 1 August 2012 the Australian Deputy Prime Minister and Treasurer delivered the annual John Button Lecture. Button was a true intellectual in the Labor Party - nowadays a rare bee. The Treasurer hardly mentioned Button. His entire lecture was devoted to expand on his inspiration, which continues to date from his early youth and - so he said - is shared by the Prime Minister. And the source of such widespread inspiration ? Marx ? Well no - too far away. Whitlam ? Absolutely not, too politically 'dangerous', 'idealistic' *et cetera*. For quite some time politicians of the so-called Labor Party have been using the word *Whitlamesque* as a substitute for crazy, failing, out-of-this-world. No, safely, the Treasurer, now 58, educated at the University of Queensland, former lecturer in management at the Queensland Institute of Technology, spent all his life inspired by Bruce Springsteen. And on Springsteen the Treasurer waxed lyrical for the whole Button Lecture !

In the end, in 'politics' too there are no 'problems', just 'issues', 'points' which are very adequately left to managers and those persons who understand 'management-speak', a coded alternative to English and the natural language, only understood by insiders, exactly as George Orwell predicted.

On this occasion for comparison, no mention was made of the dire British circumstances.

Between 6 and 10 August last year, thousands of English teenagers and young people - the figures being from 13,000 to 15,000 - ransacked certain areas of London, smashing shop windows, looting stores, firebombing cars and battling the forces of 'law-and-order'. Some 16,000 police were engaged in 'restoring order'. The estimated total cost of the chaos was roughly half a billion pounds (AU$ 750 million). It was the palpable destructive manifestation of a moral and spiritual crisis besieging Britain's young people. The moral rot and the sense of alienation remain, and are likely to explode in more chaos and violence. The militarisation of some parts of the city, and of the country, is not sufficient to prevent such repetition; it will be used for new repression. The chairperson of the Riots Communities and Victims Panel, presenting the final report to the government on 28 March 2012, said similar riots could "quite possibly" happen again - an easy prediction. The Panel concluded that a root cause of the riots was 'hopelessness'. "Most disturbing to us was a widespread feeling that some rioters had no hope and nothing to lose." Apparently what the bombastic mayor Boris Johnson called "the greatest city on Earth" does not offer a future to youth growing up in it. Last winter the Cameron government trained hundreds of paratroopers to contain rioters. The solution lies elsewhere.

The real problem this time goes much deeper. For instance: the London Child Poverty Commission has been able to draw a link between London's single parents and high child poverty. The Commission has established that two-parent families are eight times likelier to have an employed family member than single-parent families are. There is almost a pedestrian logic in such revelation. The problem is especially bad in London, where 55 per cent of single parents are not at work, compared with 42 per cent outside the city. More than four in ten London children live below the poverty line, worse than any other region in the United Kingdom. Less than half of Greenwich students earn the minimum academic qualification for low-skill jobs or to continue their education.

Millions of British children and youth are being reared by only one parent. In one London local authority, the figure is nearly 60 per cent. In Lambeth one in twelve girls aged 15 to 17 has become pregnant. Before the 1960s births outside marriage were around 5 per cent. And what do the flying oafish toffs say ?

Almost by way of revelation, the conservative Centre for Social Justice has pronounced that "Family breakdown increases the chances of a young person living in poverty and reduces the chances of a young person escaping poverty as an adult."

Poverty is not the sole factor of so much decay. For instance: the London Ambulance service receives the highest concentration of calls from Westminster and Camden, two of London's more affluent suburbs; drunkenness is now part of London lifestyle, a 'cultural' practice in which people of every age and social class engage.

Watching the opening and closing ceremonies of the 2012 London Olympics - in the view of some quite tacky and tackier affairs - could one conclude that nothing has changed from the time when Samuel Johnson proclaimed that "By seeing London, I have seen as much of life as the world can show." ? Or will one - more correctly and up-to-date - think of London as the symbol of a dying empire ?

Being poor in Britain in 2012 is brutal. One may be lucky to come from a family where people have been working, fortunate in having a job, yet still, despite one's hard work, being unable to afford enough food to eat, or have to choose between heating the house and feeding the children.

The last few years have seen life get tougher and tougher. Wages have fallen, 4.4 per cent during the past year alone, while the cost of living has risen by 47 per cent. The waiting time to see one's doctor is months rather than weeks. Childcare services have been cut. Housing benefit has been cut leaving one's family 2,000 pounds (AU$ 3,000) a year worse off. Rent is likely to be over half one's income. One may be forced to leave one's home and community and move far out of town in order to afford somewhere to live. One may well be employed on a 'zero hours' contract, which means the employer can simply send a person home if there is not enough work. Yet, if one were to try and leave the job, accrued benefits could be cut as punishment. Intellectual life could become non-existent; even the public library might have closed.

This is brutal Britain in 2012. Was it Gandhi who said that a society is judged by how it treats its weak and its frail ? Well, by that judgement Britain is fairing very poorly indeed.

Of course, it need not be that way. Yes, of course, the country is in recession, but that does not mean there are not clear choices that a government could make as to who bears the brunt. But this is a Tory government, with the Liberal Democrats providing a thin fig leaf - not large or strong enough though to cover the cruelties and indignities of their decisions.

In conditions of the most serious gravity, such as the ones which prevail in the United Kingdom today, two statements summarise the moral bankruptcy of the Establishment, from Buckingham Palace to 10 Downing Street and all the other dens, especially those of the High Finance, in the City of Westminster.

The first statement came from the mouth of the Queen, when she indicated, in all apparent seriousness and indifference to the condition of the populace, that *she would like to have a Jubilee celebrating her reign every year from now on*, and that she would be speaking to Whitehall policy makers and the Prime Minister so the new law can be approved by parliament.

The second was the sheepish and even more indifferently servile and culpable response of the Prime Minister, speaking from Number 10, to the effect that: "It is Her Majesty's desire to have a Jubilee celebration every year for the rest of her life, *therefore as her subjects, we are obliged to agree to her wishes*." [Emphasis added]

These illustrious personalities give a measure of the irresponsibility of the monarchy and its system of government.

It is at this point that one can only conclude by completing the comment of the reader of the *Toronto Star* quoted at the beginning of this essay:

"Throughout the history of the monarchy the "divine right of kings" has always included the unlimited use of the public purse to fund the excesses and whims of successive rulers such as wars and the self-serving pageantry we are currently witnessing.

As the paying public we are only allowed to vicariously join in the celebrations of the royal family and offer adulation on this auspicious occasion lest we offend her royal majesty with disturbing questions about its value and relevance. However what we should be doing is

reflecting on the brutal history of the monarchy as an institution and asking tough questions about what we are honouring and why.

The English monarchy is an enduring symbol not of benign and passive rule but of authoritarianism, power and domination that has no place in modern society. Only a short time ago the British Empire was a feared world power that ruled its people and its subjects with ruthless impunity.

The aristocratic pomp and ceremony that media all over the world are currently [6 June 2012] celebrating without a single critical observation was created through armed force and the subordination of first the English public itself as well as a litany of unfortunate foreign peoples during the period of colonial and imperial expansion that created the British Empire and inflicted enormous cruelty and devastation on the indigenous people that England 'discovered,' including the First Nations peoples of North America, Australia and Africa to name only a few. The problems of our modern world are the legacy of the British monarchy.

Monarchists, media outlets and governments worldwide prefer to turn a blind eye to this appalling historical tradition and prefer instead to focus on the superficial entrapments of the modern royal family. Their ceremonial function cannot be justified, symbolically or economically, nor can the legacy of the monarchy be sugar coated.

Events such as the Diamond Jubilee celebrate a history of aristocratic rule and excess built on the backs of millions of conquered peoples who were subjugated and exploited all their lives for centuries to provide a privileged few to live in luxury.

The irony of this lavish overspending in the face of an apparently struggling English economy appears lost on the royal family, the British government and the British public themselves who unthinkingly perpetuate this checkered tradition.

However, as the Romans knew only too well, providing bread and circuses to keep the minds of the destitute populace off revolution was an effective poverty management strategy then as it is now. It is time the monarchy as a symbol and an institution exited the stage of history as an excess we can ill afford."

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