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# 25 years on: reflections on social justice

**Since she took office, Theresa May has adopted the language of ‘social justice’, promising to end the ‘burning injustice’ that some are born into lives of more opportunity than others, because of poverty, race, gender or class. There have been promises of a green paper, setting out her reform agenda. ‘Social justice’ has been high on the agenda before. Twenty-five years ago, John Smith’s Commission on Social Justice was set up and, two years later, it published its final recommendations for improving social justice in the UK in *Social Justice: strategies for national renewal*. Advocating for a society that invests in people as its greatest asset and source of growth, the Commission was very influential in shaping social policy in the New Labour years. Here, four former Commission members, together with a commentator from a different part of the political spectrum, the Director of the think tank Bright Blue, reflect on developments since then and suggest what should be included in a social justice strategy today.**

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## Ruth Lister

For months, any question to the government about poverty has been met with the promise of a social justice green paper. Yet mystery now surrounds the status of *Improving Lives: helping workless families*, the paper (not green) that finally emerged just before Easter. A written question, which asked whether it was still the intention to publish a social justice green paper, elicited the response that the published paper ‘forms part of the Government’s ambitious agenda for social reform. It sets out the indicators and evidence that will provide a framework for continued action to drive improved outcomes for disadvantaged families and children, now and over time.’

The language of social justice was conspicuous by its absence. Its only mention came in a *Times* article by the Secretary of State, Damian Green, to mark the paper’s publication. This began, ‘social justice can mean many things, but it must include giving every child the best start in life’. Despite all its earlier talk about social justice, the government has failed to clarify to which of its many meanings it subscribes. An attempt under the coalition offered: ‘social justice is about making society function better – providing the support and tools to help turn lives around’. Described by Stephen Crossley as ‘dehistoricised and minimalist’, this technocratic definition bears no relation to any recognisable theory of social justice. The government’s whole approach stands in neither the dominant

distributional nor relational paradigm of social justice. The former, which informed the earlier Commission on Social Justice's report, concerns the distribution of 'the good and bad things in life'; the latter involves the dimensions of recognition, respect, discrimination, representation, voice, domination and oppression, which constitute political and social relations. Both are critical to understanding the causes and experience of poverty.

In contrast, the government's individualistic, rather than structural, understanding of the causes of poverty is underlined by Damian Green in his foreword to the *Improving Lives* paper, where he explains that 'because the root causes are not financial', the government needs 'to develop a new approach to tackling poverty and engrained disadvantage'. This is reflected in the paper's focus on the effects of parental worklessness, including in particular on parental conflict, and the virtual absence of any mention of financial poverty as such. The one exception is the old mantra that 'work is the best route out of poverty'. While it is certainly true that the risk of child poverty is greater in households where no one is in paid work, there is the usual refusal to acknowledge that two-thirds of children in poverty have a working parent. Moreover, as the Institute for Fiscal Studies has warned, this means that reducing worklessness will now have 'an increasingly limited impact on overall rates of child income poverty'.

What is new is the paper's concern with parental conflict. While the acknowledgement that family relations matter as much as family structure is welcome, the paper totally ignores the relationship between parental conflict and family finances. According to a Tavistock Institute review, the evidence 'consistently demonstrates that low-income couples are at greater risk of relationship stress and breakdown'. More recently, a Social Mobility Commission report notes that 'stress from material deprivation may be critical in terms of marital conflict'. Indeed, the paper's own accompanying analysis and research pack observes that 'it has been well established with-in previous literature that financial problems are often implicated in relationship breakdown'. Nevertheless, its list of parental disadvantage indicators does not contain one of the income poverty or material deprivation indicators originally contained in the Child Poverty Act 2010. In the same vein, the linked Troubled Families strategy ignores the impact of poverty, even though its own progress report cites evidence that 'troubled families' are more likely to have trouble getting by than other families.

A social justice strategy grounded in an analysis of the distribution of the 'good and bad things in life' would not be able to ignore the impact of income poverty on children's 'start in life' in this cavalier way. It would pay due regard to the structural 'root causes' of poverty, which lie in the operation of the market (including the labour market) and the state, rather than individual, behaviour (which is not to discount the agency of people in poverty as they try to get by and to get out of poverty). It would promote decent jobs at decent pay and remove the barriers to them faced by marginalised groups. It would prioritise social investment in decent services, including affordable and accessible childcare. It would acknowledge and reverse the regressive impact of current tax and benefit policies, which are predicted to fuel greater child poverty and inequality. In place of social security cuts, 'welfare reform' would promote a positive vision of social security, which recognises its value to society and to the security of its members. In doing so, it would cease to stigmatise and vilify those who rely on social security, thereby doing justice to the relational as well as distributional paradigm of social justice. ■

**Ruth Lister** is a Member of House of Lords, Emeritus Professor at Loughborough University and honorary president of CPAG

#### **Emma MacLennan**

The Commission on Social Justice established by John Smith set out four propositions of enormous importance to its founder: that the welfare state should be a 'springboard for economic opportunity'; that education and training are vital and need investment; that there must be a balance between employment, education and family responsibilities to give people better life choices; and that local government and public services play a key role in a just society.

I had the great privilege both to sit on the Commission, but also to have worked very closely with John Smith as the tax and social security policy officer for the Labour Party during the years of policy review and formation that preceded the 1997 general election. As Shadow Chancellor and then party leader, John Smith fought daily against the 'laissez-faire' economic policies of the Conservative government that sought to dismantle the welfare state and build a world based on a 'trickle down' of resources to the poor from wealthy high earners and elites. This was an anathema to John, whose political views were deeply grounded in his moral beliefs. As he put it:

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*'It is a sense of revulsion at injustice and poverty and denied opportunity, whether at home or abroad, which impels people to work for a better world... Instead of carrying the miserable burden of mass unemployment, we could be investing in new technology and new skills, training and retraining our talented people to face a fiercely competitive world; instead of our education system declining and our health service fracturing, we could be building high-quality public services which extend security and opportunity to every family in the land; instead of a society diminished by the violence and dishonesty of crime, we could be building strong communities which provided opportunity as well as protection for every citizen. There is so much we can do; there is so much we need to do.'*

I can say with certainty that John Smith would have been greatly dismayed by the state of injustice in the UK and the world today.

Where John wanted investment in 'the extraordinary potential of ordinary people', we have had a brutal government programme of austerity, with budget cuts, benefit sanctions and a lack of investment in the most depressed communities. This has had the most impact on children, women and people of colour, and has resulted in an increasing growth in the need for food banks.

Where John wanted education to provide life chances for all, research in the UK shows the attainment gap between children of the most and least educated parents is bigger today than 40 to 60 years ago, while regional inequalities in educational outcomes are growing – leaving many of today's children educationally and economically worse off than their parents.

Where John wanted more investment in public services and local government, we have seen the opposite. Communities are increasingly worried by violent crime, a lack of essential services for those most in need, and a growing sense for many of being abandoned by their elected representatives.

All these things would have elicited a furious response from John Smith. However, I think the current direction of welfare cuts would have particularly motivated him to outrage.

CPAG estimates that new cuts to universal credit limiting support to two children per family, undermining the principles of universality and simplicity that he supported, will force 200,000 children into poverty, reducing their life chances

and making family life more precarious for many.

A recent report by the Equality and Human Rights Commission paints a very grim picture of life chances for disabled people in Britain, showing not only inadequate progress but a deterioration in some areas. Changes to benefit rules, cuts in essential services and discrimination have led to a situation where around half of people in poverty in the UK now are either disabled or living with a person with a disability.

One of John Smith's key policy pledges – along with raising child benefit – was to improve the basic state pension. In Britain today, 1.6 million pensioners continue to live in poverty. While pensioner incomes have improved for those receiving occupational pensions or for those owning their own homes, there is a sharp divide between them and those reliant solely on benefit income. With the closure of defined occupational benefit schemes, tomorrow's pensioner may not do so well.

John may have had some sympathy with the concept behind the Troubled Families programme – believing in the need to give practical support where required to lift families out of persistent poverty. But he would have been highly critical of the way in which the programme has been carried out, disappointed in the results, and angry about the terminology and culture of blame.

There is one area of policy where John would have been proud and amazed – the introduction of a national minimum wage and the way it has been embraced by all parties. It was under John Smith's leadership that the minimum wage was adopted as a commitment by the Labour Party, despite initial opposition, not just from the Conservative government, but by even many of his colleagues and some trade unions. Today, the minimum wage is accepted by all parties as a vital protection against working poverty and exploitation.

The view that social justice and economic prosperity go hand in hand underpinned John's views and the work of the Commission on Social Justice. John never lost sight of those goals. CPAG's campaigning work is needed more than ever to keep social justice and poverty eradication on the agenda. ■

**Emma MacLennan** is a former Deputy Director of the Low Pay Unit and Director of the John Smith Memorial Trust, and is now Director of the Eastern Alliance for Safe and Sustainable Transport

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**Patricia Hewitt**

Re-reading the social justice report over 20 years on, I am still enthused by the principles and general approach we set out – including a definition of social justice that benefited from the rigorous philosophical approach of the late Bernard Williams, one of our commissioners. Our vision of an active welfare state, building resilience among children and their families and supporting people at times of change and crisis, together with our emphasis on social capital, stronger communities and devolution, feel even more important today – particularly in the face of technological transformation.

Many of the Commission's policy recommendations – including universal pre-school education, a statutory minimum wage, paid leave and more flexible working for parents, stronger employment rights particularly for part-time workers and, more controversially (and going well beyond our proposal), income-related higher education student contributions – are now entrenched in practice.

But so much has changed in the intervening years that, inevitably, some of our analysis and proposals need rethinking. I want to single out one area: financial inequality among older people and between older and younger people. Our focus in this part of the Commission's work was on poverty among retired people. As we stressed, only one-third of retired people then were taxpayers; one-third were living at or below a not very generous poverty line; and the remaining third were in the narrow band between the poverty line and the tax threshold.

Today, the picture is very different. Although average disposable incomes remain lower for retired than non-retired households, income growth has been much faster for retired people: up from £7,800 a year in 1977 to £21,800 in 2016 – a nearly three-fold increase – compared with the doubling for younger people from £13,900 to £28,500. In the last 10 years, average real retirement incomes have risen by 13 per cent, while working incomes have fallen in real terms. State pension and other benefits, which were two-thirds of average retirement incomes in 1977, are now less than half. Conversely, private pensions and annuities that were less than one-fifth of average retirement incomes in 1977 are now 44 per cent (£11,000 on average compared with a mere £1,600 then.) Indeed, a Nationwide survey recently found that more people in their 70s pay income tax at 40 per cent than do those in their 30s.

Of course, these averages conceal marked differences between the poorest and the richest elderly people. But inequality, which has been falling among people of working age, is now rising among the elderly.

Against this background, and with rapidly rising life expectancy, it is surely overdue that we revisit previous assumptions that being old probably means being poor and that retired people deserve more favourable treatment simply because of their age.

The OECD has recently urged the UK to withdraw state pensions from wealthier people – something that Australia, for instance, has always done. Instead, the new state pension (similar to our proposed pension guarantee) will be £160 a week for men born in or after April 1951 and for women born in or after April 1953 (although a transitional group of women will be penalised – an injustice that needs to be corrected.) In a contribution-based system, however, it is difficult in principle as well as in practice to penalise those who have been lucky or thrifty enough to secure significant additional income or assets. But a progressive income tax system (with a top rate at or near 50 per cent, as recommended by the Commission) significantly reduces the benefit for the better off.

Nonetheless, there is much else that can, and should, be done to reduce both kinds of inequality – among older people and between them and younger households. At the time of writing, it seems that the 'triple lock' that unfairly protects pensioners while working-age benefits are frozen or cut will be abandoned or at least weakened. Surely, too, it is time to abolish the winter heating allowance and absorb it into means-tested benefits. At the very least, it should be taxed – which would probably reduce its take-up. Despite the inconsistency, I would retain free bus travel, which undoubtedly helps to reduce the isolation of many older people, although again there is a strong case for making it taxable at higher rates.

There is, however, another issue that is almost never discussed: the exemption from national insurance contributions for people over pension age. With employee contributions for someone earning at the upper threshold of £45,000 currently amounting to over £4,000, the exemption provides a wholly unjustified subsidy to the better off – particularly when you take account of the additional 2 per cent national insurance contribution surcharge on earnings above £45,000. Although, of course, some older people who remain in work do so because their

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other income is simply inadequate, the Institute for Fiscal Studies estimates that the average earnings of 'pensioners' who remain in work, at £394 a week, is actually higher than the median £385 earned by people of 'working age'. This presumably reflects the fact that, as a 2014 TUC survey found, the most common occupations among older men are managers, directors and senior officials. It is surely wrong that an active 68- or 78-year-old earning the same as a 48-year-old should be paying so much less tax. The national insurance contribution exemption breaches the principle of 'fair taxes' clearly spelt out by the Commission: the better off should pay more than the worse off, and people with similar incomes should pay similar amounts of tax. Ending the exemption would release badly needed resources for public services or other help for struggling families.

In reality, no political party today would risk a manifesto commitment to ending the exemption. A consensus needs to be built outside, and then across, the political parties, first on the principle and then on its practical implementation, phasing-in and so on. (Twenty years ago, when mortgage tax relief was still politically sacrosanct, a consensus was developing in civil society, endorsed by the Commission, that made it possible for the government subsequently to reduce and then abolish the relief.) One possibility would be to transform national insurance contributions into a hypothecated health and social care contribution that, crucially, would be paid by all adults on all incomes above a threshold. Such a change goes well beyond the scope of this article, but if we are truly to promote social justice, then radical thinking about fairness between the generations is urgently required. ■

**Patricia Hewitt** is former Deputy Chair of the Commission on Social Justice, Secretary of State for Trade and Industry (2001–2005) and Health (2005–2007) and is the current Chair of the UK India Business Council

## Bert Massie

Since the Commission on Social Justice published its report in 1994 disabled people have experienced mixed fortunes. The mission of the Commission was to develop a vision and policy on the scale of the *Beveridge Report*. It was a partial success and this has been reflected in policies affecting disabled people. On the positive side, the calls made for stronger civil rights legislation to protect people have been partly met. But support through the social security system to meet the financial needs of disabled

people has been reduced and, in some cases, abolished. Social care provision has been rationed, so only those with the greatest needs have any hope of support, and this is patchy and variable. The health services on which disabled people rely so heavily are cracking under the weight of underfunding and political indifference. Since 2010, the government has briefed against disabled people, helping to popularise the view that we are workshy benefit scroungers and this, in turn, has led to an increase in hate crime against us. If ever a new focus on social justice was required, it is now.

The Disability Discrimination Act 1995 gave disabled people the right not to be subject to unreasonable discrimination in some areas of human activity. It required service providers to ensure their services were accessible to disabled people, although service providers and employers had until 2004 to make their buildings physically accessible. The Act strengthened protection in the workplace and gave the government powers to require public transport to be accessible. There were significant omissions and weakness in the legislation. It did not cover education and failed to create a Disability Rights Commission to help enable disabled people to enforce their rights. Instead, it created the advisory National Disability Council. This was rectified by the incoming Blair administration, which created a Commission in 2000, which I chaired. People will have their own views of the highs and lows of this, but when it was merged into the Equality and Human Rights Commission in 2007 most disability groups saw it as a retrograde step. The last thing the incoming Cameron government wanted was a strong enforcement body, and its budget and powers were reduced. The Equality and Human Rights Commission has, however, recently published its report *Being Disabled in Britain*, which demonstrates that discrimination against disabled people has increased in many areas of life.

The report looked at the rates of poverty and material deprivation in families with someone with a disability and in families without. In every case, the rate of poverty in the former was higher than in the latter. There are many causes for this, but it is noticeable that, since 2010, financial benefits paid by the government to disabled people have been reduced or cut. Disability living allowance is being replaced by personal independence payment, which has much tighter eligibility criteria. As the mobility component of this can entitle a person to a car from the charity Motability, this tighter criteria has resulted in over 51,000 people no longer qualifying for a vehicle and their cars have been withdrawn.

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The government has decided to abolish payments of employment and support allowance to new applicants deemed capable of work-related activity, on the basis that this £30 a week given to unemployed disabled people discourages them from seeking work. This is the same argument as that used in the USA on the workfare programmes. It beggars belief that anyone would regard £30 as such riches that would encourage a life of idleness. But it demonstrates how the government is seeking to change the background scenery – if disabled people are not working, it is largely their own fault. This flies in the face of all the evidence, but people perceived as colluding to be unemployed do not need or deserve the support of taxpayers. This is a neat way of blaming the victim for the crime.

Equally disturbing is the degrading of social care. Increasingly, ministers seem to regard the purpose of social care as being to prevent elderly people remaining in hospital: it is argued that they are ‘bed blockers’. No mention is made of the fact that between 1987 and 2013 the number of hospital beds halved to 150,000. One consequence of this is that services that were once part of NHS provision have been moved to means-tested social care. Unless people are self-funding, only those with the greatest needs receive any help, as services are rationed.

The United Nations has drawn attention to how austerity measures in the UK are falling disproportionately on disabled people, who now face a diminishing of their civil and human rights. This is a sad reflection on progress over nearly 25 years. The Commission for Social Justice envisaged a society in which the state would support people to make the best possible start in life and who could contribute to civil society. The banking crash of 2008 was a sharp shock, but there were better ways of dealing with it. George Osborne, as Chancellor, made no secret of his plan to reduce the size of the state. The only way this could be achieved was to reduce funding to local authorities, education, the NHS and social security benefits and that is the policy.

Such policies affect poorer people much more than the wealthy. There is certainly a case to be made for reviewing what is known as the welfare state, but it needs to be done objectively and not just as a crude cost-cutting exercise. Perhaps it is time for a new Commission on Social Justice, so social justice is at the heart of public policy. ■

**Bert Massie (Sir Herbert Massie)** is founding commissioner of the Equality and Human Rights Commission and former Director of the Royal Association for Disability and Rehabilitation

## Ryan Shorthouse

Social justice has of late been the subject of successive reports from ambitious politicians and policymakers.

Highlights include: Patricia Hewitt and David Miliband, future Labour cabinet ministers, leading the Commission on Social Justice in the early 1990s. Iain Duncan Smith authoring the 691-page Conservative social justice review in the late 2000s. Now, Damian Green – the current Secretary of State for Work and Pensions – has just published the much-awaited government’s social justice – or life chances – green paper.<sup>1</sup>

Past reports have led to positive policies that have improved the security and quality of the lives of many people. But in modern Britain – shamefully and tragically – a high proportion of people still face deprivation and even destitution.

Will the government’s new strategy make a difference? There has been a clear shift of focus from the Department for Work and Pensions to tackling worklessness away from, for example, encouraging marriage. This is welcome. There is no evidence that government incentives for marriage improve outcomes, whereas incentives for work really do. Indeed, the employment rate for lone parents has increased substantially in recent decades, thanks in part to strong financial incentives in the tax credits system to work over 16 hours a week. Equally, long-term unemployment has fallen since the start of this decade, thanks in part to increased conditionality for the receipt of benefits.

Some of the government’s proposed policies in its new green paper are good: refocusing the Troubled Families programme to reduce worklessness among participants and extending eligibility for Access to Work funding to those on a treatment programme for drugs or alcohol. It is positive too that Theresa May has pledged to improve services and enhance protection for those with mental health conditions.

But, admittedly, much more radical policies are needed if the government is to make meaningful progress on its new and welcome nine non-statutory targets on social justice, including educational attainment in the early years, youth employment and levels of homelessness.

By emphasising ‘the good that government can do’, the Prime Minister has signalled a philosophical shift from the Conservatives: of creating a supportive, rather than smaller, state. This need not be a super-spending and suffocating state, however.

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The state, of course, cannot secure social justice alone. A partnership approach is required, drawing on the resources of the state, businesses, civic society, families and individuals themselves. But those on the centre-right, for both political and moral reasons, should admit and promote the fact that the state has a fundamental role to play. They should champion that the state will be used to invest in and strengthen the financial, educational and social capital of the most vulnerable in our communities, to enable them to truly transform their life chances.<sup>2</sup>

On financial capital, a new post-austerity welfare settlement is required, beyond the focus on disproportionately cutting working-age benefits. The withdrawal rate for universal credit, though reduced marginally in the 2016 autumn Budget so a claimant will lose 63p rather than 65p in benefits for every extra £1 earned, is too high – so much so that it is likely to defeat one of the main purposes of this radical reform of the benefits system: namely, to improve work incentives. The priority for government should be gradually reducing the withdrawal rate, above, for example, raising the income threshold for paying the higher or even basic rate of tax.

Time to reward those ‘ordinary working families’, many of whom top up their pay with in-work benefits. Those with long work histories should be entitled to a contribution supplement in universal credit and statutory maternity pay. A new voluntary class of national insurance should also be introduced, which could be deposited into a high-interest, tax-free personal welfare account, from which people could draw down in testing times. For those on modest incomes, the government should match contributions to a certain level.<sup>3</sup>

On human capital, the government should focus on improving access to, and the quality of, formal childcare, proven to have lasting impacts on educational attainment, especially for those from more disadvantaged backgrounds. All parents with young children should be offered government-backed, income-contingent childcare loans on top of existing government support. These loans would smooth sometimes crippling costs over a longer period and make childcare affordable for all families overnight.<sup>4</sup>

Education cannot be something just for the start of someone’s life. When working lives are increasingly longer and changeable, lifelong learning to reskill and upskill needs to be normalised. All adults should be granted a lifetime learning loan account, from which they can draw to pay for any type of approved course to

upskill or reskill, which they pay back on an income-contingent basis under stricter repayment terms for every new course undertaken.<sup>5</sup>

Finally, on social capital. Twenty-five years ago, the Commission on Social Justice proposed that there was a new ‘giant evil’ to add to William Beveridge’s famous five: discrimination. This was correct. But we now have a seventh: loneliness.<sup>6</sup> Our relationships and connections with others have become increasingly important in helping us navigate the modern world: to secure employment, to juggle work and family responsibilities, to discover enriching opportunities for our children. There is now rigorous evidence that having strong and diverse social relationships is vital to reducing the likelihood of living in poverty, experiencing social mobility and building neighbourhood trust.<sup>7</sup>

To support familial relationships and care, the transferable tax allowance – which provides tax relief to a basic-rate taxpayer whose partner leaves the labour market to look after children – should be increased in value and extended to all couples, not just married ones. Grandparents too should be able to shift their personal tax allowance to their adult child if they leave a job to look after grandchildren.<sup>8</sup>

To give people more opportunity to develop mixed networks, the government needs to ensure institutions – specifically, universal public services such as nurseries, children’s centres and schools – have intakes and governing bodies that are more socially diverse. Incentivising more secondary academies to have lotteries to determine admissions, and making Ofsted inspections take into account the social representativeness of governing bodies, would make some difference.<sup>9</sup>

To help those suffering from ‘burning injustices’, those who have not benefited from globalisation, who are just managing – or not at all – you need to be bold, Theresa. ■

**Ryan Shorthouse** is the Director of Bright Blue

1 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/605836/improving-lives-helping-workless-families-web-version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/605836/improving-lives-helping-workless-families-web-version.pdf)

2 <http://www.brightblue.org.uk/bbmanifesto.pdf>

3 <http://www.brightblue.org.uk/images/Giveandtake.pdf>

4 <http://www.smf.co.uk/wp-content/uploads/2012/02/Publication-A-Better-Beginning-Easing-the-cost-of-childcare.pdf>

5 <http://www.brightblue.org.uk/images/goingparttimereport.pdf>

6 <https://www.theguardian.com/commentisfree/2014/feb/26/loneliness-signal-poverty-britain-ian-duncan-smith>

7 <https://www.jrf.org.uk/report/reducing-poverty-promoting-diverse-social-networks>

8 <http://www.brightblue.org.uk/images/generationgame.pdf>

9 See note 7