

FAMILIES, POVERTY AND SOCIAL JUSTICE -THE UK PERSPECTIVE

Rt Hon Iain Duncan Smith MP Speech to the Institute of Marriage and Family in Ottawa Canada

Opening thanks

“Let me begin by thanking the Institute of Marriage and Family Canada (IMFC) for organising this conference, and for inviting me to address it. I admire your work here David, and the many dedicated people I have met in the last two days.

This is a timely conference. We have entered a period of deep-rooted economic instability: the loss of jobs and the repossession of homes are more than economic, they affect the family.

At such a moment it is vital to consider the importance of the family, and I believe, to put it back once again at the heart of society.

It is therefore a privilege to speak to you today about families, poverty and social justice from the British perspective.

But let me begin with some context.

Social Justice

As former leader of Britain’s Conservative Party, I recognise that poverty and social justice have for decades been the preserve of the political Left. The Left were considered instinctively compassionate. Conservatives were condemned as finger-wagging moralisers, obsessed with toughness and empty of compassion.

There was some basis to this view. Many Conservatives declared that they didn't do 'social justice'. They cited Hayek's critique that social justice is a contradictory notion – social is collective, justice individual.

However I realised that most of the British people haven't heard of Hayek nor do they care for his analysis. Public polling we conducted found that social justice resonated. It meant a great deal. It revealed that the public had defined it, profoundly, as 'help for those who genuinely need help, and help for those who deliver that help.' What is more, results showed that people expected politicians to commit to it.

The Centre for Social Justice

In this context in 2004 I established the Centre for Social Justice (CSJ), after stepping down as leader of the British Conservative Party. My organisation is independent and works with left of centre think-tanks and Labour politicians.

Furthermore, we are not a typical think-tank. Whilst we seek policy solutions for the challenges facing our most disadvantaged communities, (and we have succeeded in putting social breakdown at the heart of British politics), what makes the CSJ unique is our practical partnership with organisations that are changing lives in Britain's poorest communities - our Poverty Fighter's Alliance.

This Alliance, of over 200 inner-city members and rising, champions the work of effective and innovative grass-roots voluntary groups around Britain. The Alliance gives these charities a voice and a network. It also makes annual financial awards to the most effective organisations from a poverty fighting fund of £70,000.

This practical element to our work, the heartbeat of what we do, was inspired by the countless voluntary organisations working in Britain's broken communities. They are led by social entrepreneurs and are transforming lives. They grasp the scale and nature of Britain's social breakdown, but, crucially also, they reverse it.

Organisations such as *Save the Family*, rescuing relationships and keeping families together, as well as *Eastside Young Leaders Academy*, educating and inspiring Afro-Caribbean boys from London's poorest housing estates.

For too long the issue of poverty has been about money alone. What we have learned from these organisations is that the nature of the life you lead has a huge bearing on your financial status.

Through these poverty fighters that have we learned of the five common drivers of poverty. We call these the 'pathways to poverty' and I will outline the key principles of them shortly. They are Educational Failure; Economic Dependency and Worklessness; Serious personal indebtedness; Addiction; and Family Breakdown. The pathways are central to understanding social breakdown, and yet also central to the solution.

Second, these groups demonstrate that solutions exist – that the reversal of breakdown is possible.

What is life like in Britain's poorest communities?

It seemed to me that society in the UK had become unbalanced. There was far too much entrenched poverty in Britain.

It shocked me that in the world's fourth largest economy, our poorest people have life-expectancy lower than in the Gaza Strip. I was angered to learn of the 1.35 million children who had drug and alcohol addicted parents, brought home to me by the story of two young schoolboys queuing at 6 am in the winter, waiting for a church breakfast club to open for their breakfast – their parents so addicted to heroin that they were quite incapable of providing for them. There was little or no food in the house and the 8 year old got his 6 year old brother up, dressed him and brought him to the club.

As our recent report *Housing Poverty* concluded, the majority of this breakdown is concentrated in social housing estates, left behind by the rest of society. On these estates thrives a culture of worklessness and welfare dependency. Far from progressive social housing estates moving people from dependence to independence, they are trapping them there.

A characteristic of these social housing estates is that tenants are workless, fatherless and static. In 1970 just 11 per cent of households in British social housing were workless – today only a third of working age social housing tenants are in full-time work. Around three quarters of households on these estates are headed by lone parents or single men and women. Only 15 per cent of social renting households are headed by a couple with children and more than 80 per cent of social housing residents in 2006 had been in the sector ten years earlier

Violence is a daily reality. Most crime is committed by Britain's poorest people on Britain's poorest people. Our recent report on street gangs in Britain found that these communities are a breeding ground of youth violence, played out by brutal and territorial gangs.

As I met with people in these communities, often three unemployed generations of the same family living a stones throw from each other, I began to understand the words of my friend Bob Holman. He told me that "the inner-city was not a place, it was a state of mind".

My promise to these people therefore, many of whom had given up hoping for anything better from politicians, was to speak on their behalf to a world that had moved on. I committed to finding solutions to this cycle of strangling social breakdown.

The burgeoning cost of dependency

Furthermore understanding the nature of the breakdown, I became more aware that successive governments have approached welfare reform from the wrong angle.

Concerned that the budget has grown, successive governments talked of cutting the bill of social justice but frankly this hasn't worked. The reality is that this is a problem of demand, not supply. The reason why this growth has gone on and on is because of the breakdown of the welfare society. Families, communities and charities who deliver the vast majority of welfare beyond the state. The crumbling on the margins of this group has led to a growing demand on the state.

Whilst this process is damaging to the social structure of our society, there is a cost imperative as well. The cost of our fractured families, of poorly educated workers and dysfunctional adults is rendering Britain's economy uncompetitive. Bankrupt Britain, a recent report distributed by the CSJ, demonstrates that this becomes more critical during an economic crisis such as the one we are in.

Government departments foot the bill for lifestyle related breakdown from one financial year to another. The cost of British social breakdown - £102 billion a year - fuelled by family breakdown – £20 billion a year – is spread across the benefits system; the education system; the care system; the National Health Service; the criminal justice system; and elsewhere.

The government picks up an increasingly expensive tab for society's brokenness, while claiming it has nothing to do with policy and planning. Furthermore many of the government's policies often have unintended consequences, often creating perverse behavioural incentives.

Politicians are often to be found debating small government verses big government. Yet often less than lip service is paid to the Voluntary and Community Sector which stands between government and business. These institutions could not matter more for our future and could hardly have been more neglected in recent times. There will be no sustainable reduction in the size of the state if civil society doesn't become stronger – nurturing more self-sufficient and vigorous citizens. There'll be no possibility of light touch regulation if certain moral values are absent from our culture. There'll be no competitive economy if families don't encourage their children to learn and excel.

However, governments have missed the point. They have successively failed to grasp the nature of the problem by looking at the system, not the people.

Where business strengthens by assessing who *might* purchase its product, who *is* purchasing its product and *why*, governments do not. As a result they simply don't understand the nature of Britain's most deprived communities.

This is illustrated by my friend, Sandy Weddell, who told me after walking around Easterhouse, a run down estate in Glasgow: "These were built in the 1960s and are now being knocked down because they have become slums. Yet unless the hearts and lives of the people in the houses are changed, they will quickly make the buildings look like them again."

Breakdown and Breakthrough Britain

At the CSJ we wanted to understand the root-causes of this lifestyle poverty - the drivers of dependency demand – by listening to those at a grassroots level in these communities.

Commissioned in 2005 by the new leader of Britain's Conservative party, David Cameron, we spent 18 months listening to practitioners and visiting effective poverty-fighting organisations to do so.

We made 300 visits. We held public hearings the length and breadth of the country, consulted with over 2,000 people working with Britain's poorest people, and polled 50,000 members of the public about the causes and consequences of poverty. We travelled abroad to learn from other models.

As we listened we were offered a clear diagnosis: social breakdown was real, it was entrenched, it was inter-generational and it was rising. The welfare state was trapping people in poverty instead of providing support in troubled times. It was clear that the government worked with a narrow definition of poverty: viewing poverty as purely financial, and as being driven by financial factors.

But give a drug addicted parent £1000 and their family is unlikely to see the money. Instead it will go on his addiction. On paper he will be above the poverty line but their family will be below.

In response we published a 600,000 word body of work outlining our analysis, the five pathways to poverty, and more than 190 recommendations for reform.

Canada

I notice that many areas we identified for reform, including early intervention during the infant years, affordable housing and family breakdown, are coterminous with areas highlighted by the *IMFC*, and also *The Caledon Institute of Social Policy* in its recent report *Poverty Policy*. These are important developments for Canada.

The five pathways to poverty

Our period of analysis identified five common causes of social breakdown – what we call the ‘pathways to poverty’. Let me begin with educational failure.

Educational failure:

Failing schools in our poorest communities are trapping children in dependency and causing criminality. The 20 per cent of young people who fail to obtain any GCSEs come from just 203 schools - most of these schools are located within two miles of a social housing estate.

Such educational failure pushes young people toward criminal behaviour: More than 70 per cent of young offenders describe their educational attainment as nil. Around half of the 83,000 prisoners in England and Wales have a reading and numerical ability of an 11 year old child.

We say it is time to install excellence in these schools. But for the continued worst performing, we offer parents a chance of change. We call for the introduction of 'pioneer schools' – allowing parents and third sector organisations to create new schools in their area and offer their children a better future

Economic dependency and worklessness:

Failed education in our poorest communities leads to economic dependency and worklessness. Approximately 3.5 million working-age people, many of whom are physically able, receive inactive benefits that require virtually nothing of them.

Britain's benefits system, and its high marginal tax rates of up to 90 pence in every extra pound earned, ensures that for many, progression into work is not financially worthwhile.

But the CSJ believes in a 'something for something' culture. We call for a simplification of the benefits system, incentives to work and specialist support to ensure people sustain employment - to help them develop a 'work habit'.

Addiction

We discovered that devastating addiction is ruining thousands of lives in the poorest communities. Drug and alcohol abuse costs society almost £40 billion a year and in the decade to 2007, the British government spent more on its war on drugs than on its combined campaigns in Iraq and Afghanistan.

The principles of our recommended reform include developing a coordinated approach to drugs and alcohol treatment. We also say that government should end

its obsession with methadone and maintenance prescribing by properly resourcing the voluntary sector to lead its life-changing work

Serious personal debt

Many people dependent on state hand outs and locked in addiction have high levels of personal debt. Vulture loan-sharks thrive in Britain's poorest communities – charging up to 1000 per cent on borrowing. Broken bones often substitute missed payments and pressures of debt destabilise relationships.

75 per cent of British couples admit they find money the most difficult subject to discuss. A third lie to their partners about levels of spending and a similar percentage are kept awake at night worrying about finances.

We propose strengthening Credit Unions. Here in Canada you are leading the way with more than 20 per cent of the population members of such a Union - in the UK it is just 1 per cent. We also call for improved sub-prime loan practices and more community based debt advice.

Family breakdown

And at the heart of this social breakdown was the breakdown of the family unit. Lone parent families dominate Britain's deprived communities. 15 per cent of babies are now born without a resident biological father – this will only increase.

Canada is experiencing similar trends. The proportion of lone parent families here rose from 11 per cent to 16 per cent in the twenty years to 2001, and children in lone parent families rose 14 per cent to 21 per cent in the same period.

Three factors have fuelled the damaging increase of less stable lone parent families in Britain:

First, in recent years, particularly within our poorest communities, divorce has increased.

Second, cohabitation has become a norm. As a consequence marriage rates have declined rapidly. European data demonstrates that by a child's fifth birthday, less than 1 in 12 married parents split up compared to almost 1 in 2 cohabiting parents. So the assumptions that there are no differences between cohabitation and marriage are untrue.

Third, teenage pregnancy rates in Britain are now the highest in Europe. Often with different fathers for different children.

This breakdown, and its rising societal and financial costs, has been allowed to take root amidst an irrelevant ideological debate between the self-styled socially liberal Left and the ideological, often socially conservative, Right.

For many on the Left marriage and family are viewed as outdated optional extras, private choices, dismissed as the obsession of regressive social conservatives. They have argued that government must avoid attempting to influence these personal decisions.

For those on the ideological Right, too often family and marriage have become moral causes.

This debate has raged on the airwaves and in the newspapers for too long. It has been a battle of assumptions and suppositions. Both sides neglect the practical facts - they have failed to ask 'what works?'

This is not an oversight unique to family policy. Throughout our analysis we found time and again a failure to ask this basic question.

In drug treatment millions of pounds are poured into programmes which replace an illegal addiction with a legal one.

Thousands of people in serious personal debt are still able to borrow huge sums of credit.

Those on benefits are given no incentive to return to work because of extortionate marginal tax rates.

Yes, the CSJ has set up to follow the facts and the facts on family breakdown showed that family stabilises society and marriage stabilises family. They are the framework in which our children most prosper.

Our research demonstrates this. We found that children who do not grow up in a two parent family are:

- 75 per cent more likely to fail at school
- 70 per cent more likely to be a drug addict
- 50 per cent more likely to develop an alcohol problem
- 40 per cent more likely to have serious personal debt problems

– and 35 per cent more likely to experience unemployment and welfare dependency

We know that family breakdown can lead to crime: 70 per cent of our young offenders are from lone parent families and our care system is for too many a conveyor belt to criminality. The failure of families drives many of our youth to violent street gangs. Our report, *Dying to Belong*, estimates that more than 50,000 young Britons are members of such gangs. Research shows that each gang impacts more than 8,000 people in their local area.

Early years

At the most difficult end of this process of breakdown and underachievement are dysfunctional families. More often lone parents, mostly 2nd and 3rd generation lone parents, unemployed and with few parenting skills. Too often their children will witness them being abused and continue the same cycle when they grow older.

What happens before the child is three is vital. The level of stimulation, nurture and empathy an infant receives profoundly shapes their ability to enter into all future relationships.

Working with a Labour MP, Graham Allen, we have presented a mass of powerful evidence, including brain scans highlighting neurological underdevelopment of our most dysfunctional children, that shows the first three years of a child's life are the most vital. We discovered that within 24 months from birth, it was possible to accurately predict lifestyle outcomes at 26 years old.

And it is this principle of early intervention, for both children and families, that I consider pivotal.

The British government currently spends between £500 and £800 a year per taxpayer in dealing with the consequences of family breakdown - £20 billion. It spends only 50 pence in delivering effective preventative measures getting ahead of the problem and putting it right before it starts.

However what the voluntary sector showed us, particularly organisations like *Save the Family*, was that early remedial work with families can cut breakdown by up to a half.

I think of a young mother of five children I met when visiting the charity *Save the Family*. They house and work with families on the brink of break up. Over the period of several years three of her children had been taken into care because she couldn't cope. State intervention had focused solely on the welfare of her children, neglecting her needs altogether. It failed to recognise that unless *she* was given help, within a few months she would be pregnant again and in the same position. About to lose her remaining two children she was taken in by *Save the Family*. The team worked with her providing counselling, developing parenting and money management skills. As a result, in time, she was reunited with her children and parenting again. Saving parents in this way saves children.

Canada's excellent *Roots of Empathy* programme, working with pre-school children and their parents, is proven to increase children's social and emotional competence as well as reduce aggression.

Amidst the deepest breakdown, intervention must be earlier still. Programmes such as Professor Old's Nurse Family Partnership, working with parents during and after pregnancy, are highly successful.

Evaluation of this model shows that compared to control group-counterparts, 15 year-old children of low income, unmarried mothers, who had been in the programme thirteen years earlier had:

- 56% fewer emergency room visits where injuries were detected;
- a 79% reduction in child maltreatment;
- 56% fewer arrests & 81% fewer convictions adolescent convictions;
- 40% lower cigarette consumption;
- 56% fewer behavioural problems due to drug and alcohol consumption
- and 63% fewer sexual partners

We consider early intervention the foundation for reversing social and family breakdown. Two of our recent reports made detailed recommendations in this area.

Responding to social breakdown

I often hear politicians in Britain draw a line between themselves and a pro-family, pro-marriage position. They say government should not get involved.

And yet, by adopting such a hands-off position, they fundamentally fail to understand that at national and local level, they are *already* involved because government picks up the pieces and often creates the problem at the same time.

In response, our purpose at the CSJ, the very reason we exist, is to change the terms of the debate. We say it is now time once again to recognise family, in particular marriage, not as an add-on or an ideal in a healthy nation, but a

foundation. People will and should make their own choices but should do so in an informed and rational manner, with the facts in front of them.

How we propose to reverse family breakdown

These are easy words, but the challenge of change is *how*?

We have made more than 10 detailed recommendations to resource proven early intervention initiatives based on models like *Roots of Empathy* and *Nurse Family Partnerships*. Spending now will save lives and money.

We have recommended, some say controversially but we say proudly, financially affirming marriage and commitment in the tax and benefits system.

We have called for enhanced training and support for family service professionals.

We believe that the government should roll out relationship and parenting education for people at key life stages, led by the voluntary sector.

We also call for the establishment of a Marriage and Relationships Institute to undertake groundbreaking research and champion the findings.

Some of our recommendations are counter-cultural, some are explicitly financial. Some are simple, some are complex. I know that some are popular, others not so. But we have been prepared to tell it as we see it – as those living and breathing it see it. Social breakdown is *the* issue of today. Unless we act now, the societal and financial costs will soon be unbearable.

We say that government *should* have a view because it is *already* involved, and so it *must* act.

I mentioned my visit to Glasgow at the beginning of this speech. Allow me to finish there as well. In 2002 I met a mother, Janice Dobbie, who had buried her young son a few days before I arrived. He died from a drugs overdose days after release from prison. Devastated and broken, Janice told me she knew she was one of thousands of others trapped in this hell, with seemingly no hope of a future. She warned me that the vicious cycle of dependency and brokenness that killed her son, would suck others in unless politicians woke up. Janice's story inspired me to establish the CSJ, she is one of the most extraordinary people I know. It is with sadness I tell you that two years ago I returned to Janice to attend the funeral of her second son, who also died of an overdose. Trapped, neglected, forgotten. People like Janice, millions of them in Britain, are crying out for hope. They face daily realities no one should have to face in a nation as prosperous as mine. Their hope should be a good local school. Their hope should be freedom from dependency. Their hope should be addiction free living. Their hope should be freedom from debt. Their hope should be a strong, healthy family."

This is not a debate about big government or small government. Trivial ideology achieves nothing for people like Janice and her sons. Instead, we at the CSJ believe, it is about *effective* government working with the voluntary sector, not usurping it. It is about government that leads for the good of everybody, one that isn't afraid to follow the facts and act to bring real social justice to our most broken communities.

Can a Conservative care about social justice? I hope I have shown you that unless everyone does, we will be unable to mend our dislocated society.

12 March 2009