Wellbeing

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At last month’s Carnegie Challenge debate, Peter Kelly, Director of Scotland’s Poverty Alliance, set out why he thinks money matters – up to a point.

The question of well-being is one that should occupy the minds of policy makers, campaigners and politicians a lot more than it does at the moment. As an anti-poverty network we are principally concerned about the wellbeing of individuals and communities (the two should really been viewed together). We spend much of our time discussing and campaigning around issues like the living wage, or about the type of welfare system that we need, or looking at how we respond to the rising demand for food banks. Or we think about the kind of job opportunities people need, how to address the health inequalities that mean a man in the poorest
part of Scotland dies twelve and half years before a man living in the richest part, or how to close the educational attainment gap.

But whether we are campaigning, or lobbying government ministers or helping people on low incomes to speak out, we do it because our primary concern is with improving well being. And we believe that the one of the key ways that we can do this is by finding ways to better address poverty and to reduce inequalities.

So, is it all about money? It is not, at least not completely. Will more wealth solve our problems? Up to a point, then no. Is it all about relationships? I hesitate, but also no, but like money, it’s a lot harder to achieve well being without supportive relationships.

Like most tricky questions in social policy, as in life generally, the answers are rarely black and white. Some things improve well being and some things don’t, and these should shape our priorities for the future.

Let’s start with the question of whether well being be improved with more money? I suppose the first thing is to be clear about what we mean by more money – do we mean for individuals (and especially those currently with very little money), do we mean for communities (however we define them) or perhaps for public services that may enhance or in some views diminish well being?

Let’s consider just one area – money for individuals. Our well being is not all about money, I think money is absolutely fundamental to improving wellbeing. Without access to a secure and adequate minimum income, our individual well being is likely to be damaged. One of the things the Poverty Alliance does is to engage with people with direct experience of poverty. We do this to ensure that their experience is shared with policy makers and that there is greater dialogue regarding how we best address problems of poverty and inequality.

Often when we talk to people who are living on low incomes they will tell us about a wide range of problems they face – employment is always an issue, mental health and issues with housing too. But no matter what, invariably they will place low income at the heart of the problems they face. Whether it is the stress and worry caused by the increasing gap between income and expenditure, or the inability to cover the cost of emergency repairs, or the need to get by on inferior quality food, people will over and over again come back to the fact that they simply do not have enough income to meet their needs.

Finding ways to ensure that everyone had access to an adequate minimum income is, I believe, the most basic of tasks that we face as a society. Adequate minimum incomes are, to paraphrase Professor John Viet Wilson, the clean water of anti-poverty policy.

I believe that adequate incomes are as essential to well being as clean water has been to disease prevention. If we are to improve our sense of well being, as individuals, communities or as a society, then securing adequate incomes must be at the heart of what we do. So it is a basic task, yet it seems to be an incredibly difficult one. Or perhaps we make it difficult.

But it isn’t all about income. We published a report from participatory research we carried out with lone parents in Fife last year. The women who took part in that research were very clear about the importance of low incomes for them – it loomed over almost every aspect of their lives. But when we spoke to these lone parents about what quality of life meant to them they identified three crucial areas for wellbeing and quality of life: family and support networks; choice and freedom; and the emotional and physical health of themselves and their families.

These are things that all of us would see as contributing to our well being. But it was quite clear that for the women in this study, the experience of living on a low income exacerbated some of the other issues in their lives. For example, the issue of loneliness and isolation. These are not uncommon experiences for any of us to have. However, the fact of getting by on a low income could compound feelings of loneliness. Having access to an adequate income
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Wellbeing may not overcome loneliness or isolation, but not having one certainly creates an additional barrier. So relationships within families, having good support networks of friends and colleagues, and being able to feel a sense of choice and freedom are all important for our wellbeing, and these factors are no less important for people living on low incomes. To support this we need to live in communities where there is mutual respect, where there are decent services, and where there are enough suitable and satisfying jobs for all those who need them.

It is all very well for me to say we need an adequate income, or we need to create the conditions for the flourishing of individual wellbeing by investing in our communities, but you may ask, how are we going to pay for this? Don’t we simply need to become a wealthier country? If we focus on economic growth, increasing our GDP every year, doesn’t that ensure that over the longer term, our wellbeing will increase?

Unfortunately, it does not. Ever increasing wealth has not improved our wellbeing for a long time. Wilkinson and Pickett have highlighted the diminishing returns to continued economic growth on our wellbeing. This shouldn’t really be that surprising. As our national wealth has continued to grow over the last forty years we have become an increasingly divided society.

Part of the driver for that division has been the changing structure of our economy. The growth of the financial sector has driven the inequality in wealth and income that we have seen. So in the UK between 1979 and 2007 the top 10 per cent increased their share of total income by 14 percentage points, from 28.4 per cent to 42.6 per cent. The top 1 per cent accounted for fully two-thirds of these gains, seeing their share rise from 5.9 per cent to 15.4 per cent of total income. Sixty per cent of the increase in income share accruing to the top percentile has gone to financial service employees although they account for only around one-fifth of such workers.

Some of this change can be attributed to the fact that as top rates of tax began to fall in the 1970s and ‘80s, high earners began to bargain more aggressively to increase their pay. Which is hardly surprising. Such a change in the distribution of income and wealth clearly has had an impact on political process and outcomes. Whilst GDP and wealth have been growing, inequality has been growing too. And it should not be surprising that whilst these changes have been taking place we have also seen an increase in the number of people working long hours, increases in over-indebtedness, and at times increases in poverty.

So how can we start to address wellbeing in this context? To begin we must start to reduce our almost obsessive focus on economic growth. The old saying that a rising tide lifts all boats is simply not true when it comes to reducing poverty and improving wellbeing.

We need a different emphasis on the kinds of economic activity we encourage and support, the level of interventions that we make when we support activity (with an emphasis on the local and the regional), and we also need to reconsider how we measure our economic activity. We need a different approach that focuses on the foundations of our economy, rather than always chasing high value international trading.

Whilst doing this, we need to introduce a greater element of economic justice into our society – in part that means people at the lower end of the labour market being properly rewarded through a living wage, security of employment and respect in the work place. At the upper end it means using progressive taxation to help encourage some restraint in the high incomes that drives the inequality that damages us all. Finally, underpinning all of this we need to look seriously at how we secure adequate minimum incomes for everyone, so as to ensure that people can lead dignified lives.

Until we begin to seriously address some of the big drivers of inequality and injustice in our society, then we will make only faltering progress in improving the wellbeing of all citizens.