Demos

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Demos Collection

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Social exclusion: time to be optimistic

Perri 6

Introduction

Throughout the developed world, the task of tackling social exclusion has become a top priority. Success in this task will take greater determination, tougher and politically riskier decisions, and bigger change in what government does and how it does it, than we have seen for half a century. But there are now good grounds for optimism that it can be achieved.

> 'The fatalism of the socially excluded will not be tackled until we challenge the fatalism of the wider public, who have too often been persuaded that there can never be work for everyone, that mass unemployment is a permanent feature of our lives and that the best the poor can hope for are slightly more generous benefits.'

This is not a claim to make lightly. Many people from across the political spectrum have often despaired of doing anything about poverty. But huge and complex problems that seem insoluble can sometimes, within the space of a single generation, become manageable. In the nineteenth century, acute problems of public health were brought under

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control within fifty years. We may look back on the 1980s as the age
when, albeit with a great deal of pain, the long-term trends in inflation
were finally curbed and perhaps even put into reverse. In the late 1990s
and the first decades of the new century, the combination of a favourable
economic environment, political and societal will, and smarter govern-
ment, could be just as successful in ending social exclusion.

This article – and this *Demos Collection* as a whole – suggests some
of the ways in which this will be done. It begins by recognising that the
fatalism of the socially excluded will not be tackled until we challenge
comprehensively the fatalism of the wider public, who have too often
been persuaded that there can never be work for everyone, that mass
unemployment is a permanent feature of our lives and that the best the
poor can hope for is slightly more generous benefits. The article then
proposes a synthesis of what has been learned across the developed
world about the tools for tackling social exclusion. At the heart of the
strategy is the influencing of cultures and the building of social capital.
Economic and financial tools such as changing the tax and benefit rules
have an important place, but they are not enough on their own to tackle
the systems that have created and sustain social exclusion. This means
working on all of the varied and complex roots of social exclusion at
once – in the structures of government, in systems of learning, the fam-
ily, social contacts and networks in the labour market, the cultures of
the better off, housing and mobility, crime and the use of personal
information.

Social exclusion and public policy

What is social exclusion and why is it so important? The term 'social
exclusion' gained ground in continental Europe during the 1970s and
1980s and it has now spread to the English speaking world.

Social exclusion can be defined as *loss of access to the most impor-
tant life chances* that a modern society offers, where those chances con-
nect individuals to the mainstream of life in that society.[1]

The term 'social exclusion' concentrates attention on the ways in
which significant minorities are excluded from participating in the

mainstream life of society: from jobs, education, homes, leisure, civic organisations, and even voting, and on how this disconnection tends to coincide with vulnerability to poverty, crime and family breakdown. It is a useful term in societies in which there is growing geographical polarisation of access and opportunity, so that often quite small areas – a housing estate, an inner or outer urban area – are effectively cut off from the life around them.

Social exclusion is not the same as poverty. Not all of those who are poor at any one time are socially excluded, although the long-term poor tend to become so. Moreover, not all those who are socially excluded are at any one time poor in income, although prolonged social exclusion often leads to poverty.

How is social exclusion measured? Because social exclusion is a multi-faceted phenomenon, there is no single indicator that captures it, in the way that income poverty can be measured reasonably well by any one of several financial formulae. Instead, it can best be measured by looking at how many people are cut off from work, learning and other forms of participation. So the most useful indicators include:

- measures of *the processes that cause* social exclusion – such as mobility, promotion and redundancy, social stratification and limited social mobility, educational failure or family breakdown, as well as
- measures of *the conditions* of social exclusion – such as worklessness and unemployment, homelessness, lack of membership of voluntary organisations, denial of services isolation or lack of effective social contacts, lack of a car or a telephone.

Social exclusion has returned to the centre of political attention in part because many of these indicators have worsened, even during long periods of economic growth. While economic growth does generate new demand for labour, it has not necessarily generated demand for the kinds of jobs that all of the socially excluded are able to do, located near the areas where they live.

There are also other reasons. Poverty has long been one of the public's leading concerns. But in the 1990s, the fundamental moral concern about a waste of human lives has combined with a widespread recognition among the better off that the plight of the socially excluded matters to them. For the costs of social exclusion, in welfare support, policing and criminal justice, in lost competitiveness, and in quality of life fall upon the whole of society, whether through taxes to pay for benefits or through the costs of privately bought insurance and protection.

The shift in attention from poverty to social exclusion reflects the lessons learned over many decades as strategies to eliminate poverty have failed to live up to expectations. Strategies that depended too much on financial redistribution often left dependence in their wake. More recent strategies that depended on building up human capital turned out to be inadequate without attention to social capital and 'network' poverty. The deregulation strategies of the 1980s and early 1990s failed doubly in that they did little to alleviate poverty and social exclusion while also fuelling the budgets for law and order and social security.

Something can be done

Before governments can act they first need to be confident that they can make a difference. There are six common arguments for fatalism, each of which is highly influential – and fundamentally flawed.

The first is that the socially excluded are always with us; that poverty and exclusion are somehow facts of life. The truth is that there are far fewer poor people and, almost certainly, fewer people in persistent poverty in Europe than a century ago, than before the second world war, or even than in the 1950s. Some countries have been far more successful at eliminating poverty than others, even though their levels of gross domestic product, growth and competitiveness are comparable.

The second ascribes poverty to inherent traits, such as genetic makeup. In fact, intelligence is not a fixed thing, inherited and static throughout life. The only evidence that anyone has put forward that the socially excluded are typically less intelligent rests on data from IQ
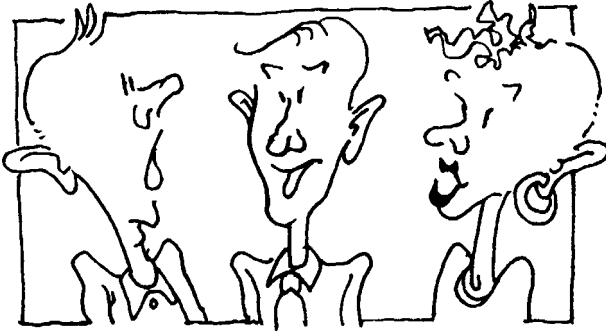
tests – which are of doubtful value for this purpose. At best they measure only one kind of intelligence, when there are many others. Moreover, intelligence is also learned, and we all know plenty of ways to make ourselves smarter. Education, training, practice, work, attention, conversation, reading and thinking are the most usual ways we all improve our intelligence all the time.

The third argument is that something 'structural' has happened to the economy – whether it be globalisation or technological change – which means that there will never be enough work for everyone. In fact, the economies of the developed world are creating more jobs, of greater interest and reward, for more of their populations than ever before. The numbers being left unemployed are probably smaller than in previous industrial revolutions, although a disproportionate effect is being felt by particular groups – notably unskilled men in old industrial areas.

The fourth is that the 'culture of contentment' among the better off means that there will never again be enough shared life between rich and poor to make it in the interests of the rich to see the poor get out of poverty. In fact, the better off have good reasons of self-interest to want social exclusion solved. It costs them in taxes, charges and a diminished quality of life. Voting behaviour shows that large majorities are prepared to pay for solutions to poverty – so long as government can be trusted not to squander its resources.

The fifth is that little can be done to increase our low levels of social mobility. In fact, Britain has, by international standards, long had

reasonable levels of social mobility. Even at the bottom of the social scale, significant proportions of those in the lowest fifth of income distribution change positions in any one year, although lone parents are least likely to move up. Improvements in education, better support for wider social networks, and more effective housing and labour market policies to support geographical mobility should enable us to increase levels of social mobility.

The sixth is that unemployment and low pay are vital to keep the lid on inflation: without them, wage increases and credit growth would push up inflation to damaging levels. In fact most long-term unemployed people have only a limited effect on wage levels because their skills levels are low and because they are geographically concentrated.

Putting together a strategy

These are all reasons for believing that something can be done. But what? To reduce social exclusion effectively, it is essential to have a clear understanding of the forces that produce it. We need to understand how people, families and communities become excluded, how they become stuck and how they can get out.

The risk factors include economic downturns, jobs disappearing from particular industries or areas, marriage breakdowns, family conflict and neglect in childhood, and mental illness. But most people get out of poverty. According to the detailed analysis of poverty, rather fewer than half of the people in the bottom quintile of incomes remain there for three or more years. Those who get stuck do so because of factors such as unstable family background, early pregnancy, past convictions or drugs use. Other crucial factors include benefits systems that provide insufficient incentives to take jobs, lack of skills, particularly literacy and numeracy, caring responsibilities that make it hard to take up jobs, and lack of the contacts that are often vital for finding out about new opportunities.

Why has it proven so hard for otherwise wealthy countries to contain or reduce such problems of social exclusion? Certainly, some of the reasons have to do with the design of welfare systems that have left

increasing numbers remaining on benefits for longer. There are few easy tricks for overcoming the unemployment and poverty traps that are built into all systems of benefits. By governments are becoming more skilled in designing the incentives to get into work – tapers, in-work benefits – as well as the pressures to get off benefits.

Some of the reasons have to do with the mismatch between the demand for labour and its supply, particularly in the case of less skilled young men. Learning is part of the answer, as is greater mobility.

Some of the reasons have to do with the lack of childcare, or elder-care, that are costly to provide but crucial if the state wants to encourage a culture in which work is the norm.

Government as problem and solution

But government itself is also a crucial part of the problem. In most poor areas government is much the most important economic institution. Public agencies, local councils, hospitals, schools and universities are the biggest employers, and the flows of money from government often dwarf those from private employers.

Far from solving problems of exclusion, the ways in which government is organised all too often exacerbate them. Dozens of different agencies may deal with the same client. Problems that are in practice rounded ones are sliced into separate segments for treatment by social services, police, probation, the benefits agency and job centres. Problems that require long-term efforts to help repair fractured families, to help people out of drug abuse, to regain confidence and self-esteem, are dealt within the confines of annual spending rounds and by professions, the vast majority of whose efforts go to dealing with the damage of social exclusion after it has happened rather than preventing it.

Indeed, one of the malign legacies of a decade of governmental reform that encouraged agencies to be much more focused, and guided by narrow performance indicators, is that so many now systematically dump problems on to each other: schools exclude difficult children and many of them turn to delinquency and petty crime; health services dump mentally ill patients into 'the community' where they become

a problem for the police; health and social care agencies each try to shift frail elderly people off their own budgets on to the others'.

Dealing with these problems calls for a different model of government – more holistic, more preventive, and more personal.[2] It will demand new ways of combining budgets, not around the administration of functions and services, but around the achievement of outcomes, with the power for local case managers to buy packages of education, housing, training, cash benefits and social services as they see fit to achieve reductions in social exclusion. It will mean new kinds of information systems, auditing and accounting, and new ways in which to organise seamlessly the structure of central and local government.

Most important of all, government will need to reorient its spending, so that alongside – and in some cases, instead of – providing curative services like medicine, policing and cash benefits after harm has occurred, it intervenes much earlier to minimise the risks of social exclusion. This will call for new skills from professionals in teaching, social work, public health medicine, crime prevention and housing management. Sometimes it will mean spending much more on a particular child in danger of drifting into crime, a young man or woman at risk of drug addiction or a family at risk of falling apart. Often it will mean taking a chance, acting now in the hope of benefits that will take a decade or two to materialise. That will not be easy for services and
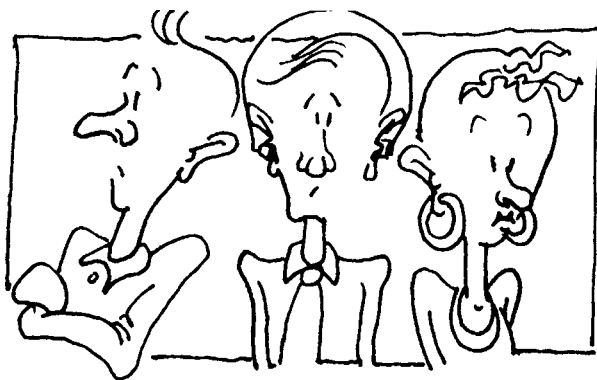
ministers who are used to promising immediate results, or for the public which is attached to the remedial work of hospitals and police. But the long-run rewards of a more preventive approach will be huge.

Human capital

However, the re-orientation of government is only the first step. The other key elements of the strategy concern people and, in particular, their human and social capital.

The most valuable form of capital today is arguably human capital – not just formal qualifications and skills, but also subtler ones: knowing how to behave at work, knowing how to please a customer, knowing how to work in a team and, most importantly, being able to spot an unexploited opportunity and find a way to make use of it. Policies to regenerate poor areas today would more sensibly start with learning rather than the state of the physical environment. Certainly, this means improving the quality of schools, especially in the poorest areas. But it also means support for learning at home and in the wider community, where most learning is done.

As a slogan to describe the agenda of enabling people to re-educate and retrain themselves throughout the working life, 'lifelong learning' is not a bad one. However, governments have not to date developed the financial instruments to support this, particularly for those on incomes too low and insecure to be able to finance such learning. This will become one of the major policy debates about tackling social exclusion. There may even be a case for considering some kind of compulsory saving system for learning accounts. While this would be a kind of hypothecated tax on people of working age to finance a funded system of learning support, the fact of its dedication to learning might make citizens less resistant than they would feel toward a general increase in direct or indirect taxation.

Despite the constant talk about the importance of vocational training, we should be wary of obsession with job training specifically for people who are already unemployed. Employers value education much more than specific training in employees. Most people get their training

on the job, rather than getting a job from training. The skills that employers often value most are flexibility and the tacit, informal skills of networking, identifying opportunities and using initiative and imagination. These are better acquired early in life during education.

Billions have been spent on training programmes for unemployed people to little effect. Many of those put through them see them as a cynical alternative to what they really want – a job. Measured by the numbers of people who get into jobs they both wanted and were trained for, or even by the less demanding measure of the numbers who wouldn't have got back into some kind of work sooner or later anyway, many training schemes have been expensive failures. The quality of training is frequently poor, and too many people are pushed into learning skills where there is already a glut of qualified people. (There are only so many haircuts that any nation can consume from hairdressers with NVQ Level 2 in scissorwork.) Training providers have tended to 'skim the cream', and pick only those people who would have got a job without the training: it's more satisfying to work with those who are already well-motivated, it makes the figures look better and when providers are rewarded on 'performance' measured in this way, it makes financial sense.

Social capital to tackle network poverty

But even if learning were better organised and measured, the best training and schools could still leave people effectively excluded and liable to be poor. One of the lessons of recent social research is that human capital needs to be matched by social capital – by which I mean the quality of contacts people have and networks they plug into, and the norms of trust, reciprocity and goodwill, sense of shared life across the classes, and capacities to organise that these ties afford.[3]

Most people get jobs through the people they know. That's why the pub can be a more important venue for finding work than the job centre or any formal labour market institution. The best kind of social network for finding work is rich in 'weak ties' to a wide range of people who are unlike oneself. Those people whose networks are dominated

by strong ties to family, neighbours old school friends and people like themselves have fewer chances to find work and fewer chances for mobility: many long term unemployed people only know other unemployed people.

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Government should be enabling people to develop and use their networks. At the very least, it should stop reinforcing the wrong kinds of networks. That's where most job training has gone wrong. Placing unemployed people in a training room where they only meet other unemployed people much like themselves does nothing for their networks.

Government should also recognise that work can mean many different things that are not all captured by the idea of employment in a formal organisation. When we test whether an unemployed person is 'actively seeking work', we measure the number of blind letters they have written, most of which will be a waste of postage stamps. We should be testing how they have used the people they know, where and with whom they have put the word around, whom they could reach through their friends and former colleagues. If they end up working in the informal economy, or even acting as volunteers, this is not something that should be seen as a problem – rather, it is usually the first step to a solution.

It is too easy for the current benefit system to be obsessed with combating fraud while ignoring what it's supposed to be buying. We have become so concerned to prevent working and claiming at the same time that we forget that most people get back into work by initially working informally, 'off the cards', and then use these pieces of work as stepping stones back into employment. The benefits system

ought to encourage this, giving people incentives to make the transition, not punishing them for doing so. It should acknowledge that for many people, working and claiming benefit are not wholly separate ways of life. For example, to ease transitions into work, it could be made easier to make use of in-work benefits and to build up savings while still on benefit.

Too often, people speak of the unemployment trap as a simple calculation of whether, offered a particular low paid job, someone is better off, one week after taking the job, by working or remaining on benefit. The point is that income comparison is refracted through culture. Most people know intuitively that, in taking a low paid job, there is a balance of probabilities between it being a stepping stone to a better job, a dead end or a fast route back to the dole in a few weeks or months. In a healthy economy, the statistics favour it becoming the stepping stone. Recent studies show this to be true for the majority of low paid jobs in much of the developed world.[4] But people have to believe that if they are going to make short-term sacrifices of income. This is where culture comes in. Cultures of low aspiration and fatalism encourage people to believe that low paid work will always be a dead end 'McJob' or a fast route back to the dole. Persuading people to the contrary is much easier if they have broader and more diverse social networks, because these give them some personal knowledge of what is possible.

So in jobs, and for that matter in housing, the priority is to provide more opportunities to mix, more chances to seek out opportunities and to network. It is not enough to give people money or skills. Just as the élite get on because of who they know as well as what they know, so too do the life chances of the socially excluded depend on their contacts. New communications systems are already building new kinds of social capital with weak ties;[5] the more that public policy can encourage them to be used to forge such ties, for example with a school in another area, an employer, or a club, the better. The consistent failure of Oftel to develop credible ways of providing even telephone access to the unemployed (of the kind that some US states have pioneered), is a classic example of government's inability to think about social exclusion in the round.

Just as the connections made by the excluded are crucial to their prospects, so are the connections provided by the better off. By using these ties as a means of recruitment to their organisations and for information about down-market business opportunities, the better off – including those who are not very much better off – help the socially excluded and, in doing so, themselves. This means that the better off have to see themselves as part of the same society, with similar interests, facing similar risks – an idea at the heart of the agenda for building social capital to combat social exclusion.

While social capital in Britain is not as strong as it could be, it is stronger than it has been for some time.[6] Britain has long had an impressive track record in the creation of new firms and new voluntary organisations by international standards, and its capacity to organise itself remains as strong as ever.

There are also other factors. Middle class job insecurity, perhaps rooted in a sense that the next recession could put at risk many middle class jobs in fields such as law, accountancy and stock market trading, has reminded many of the better off that they face the same risks as the poor. More and more people now appreciate, as public opinion data show,[7] that the long tail of poor educational achievement is unaffordable, reduces competitiveness and harms society overall. They also recognise that shared moral norms and trust are crucial, not merely to the creation of a decent society,[8] but to competitiveness.[9]

Social capital challenges zero-sum thinking, the idea that if you are doing well, that is the reason I am doing badly. This was long the British cultural disease in conflict-ridden, low trust industrial relations, in envy-based redistributive social policy, and in economic policies based on the 'lump of labour' fallacy – the idea that there is only so much work to go around and that a substantial body of unemployed people is inevitable.

Space, housing and mobility

The importance of thinking about social exclusion in the round and in terms of networks, is reinforced because it has become more geographically concentrated in recent decades. In Britain the big divisions

are no longer between north and south. They are between often quite small areas of the same towns, the same cities and the same regions.[10] Concentration can, as William Julius Wilson has argued,[11] make problems worse (while also leaving social exclusion, concentrated in social housing, now out of sight and out of mind to the better off for long periods when nothing very dramatic is happening in poor areas). However, it can also make the problem easier to define and deal with.

In many countries, recent decades have furnished clear lessons about how areas can regenerate themselves. We have learned that they need to act on several fronts at once: on schools and buildings, on crime and jobs. We have learned that they have to build up their own capacities, rather than depending on outside experts. We have learned that communities themselves need to 'own' strategies for renewal. And we have learned that the public sector can't work alone: it needs to bring in business to provide jobs, to relocate the shops, banks and services that create a living economy.

In the past, too much attention was paid to physical regeneration. But housing is a key factor. According to government projections for the UK to 2016, at present rates of new building and dereliction there will be some 4.4 million new households needing homes: four fifths of this group will be single people, and most will be young, unmarried people, not divorcees or elderly surviving spouses. We are, in other words, entering a new era of absolute shortages of housing, after a period when there were sufficient units, but located in places where there were too few jobs to attract people to live there.

Moreover, we now know that more owner occupation is not the answer. Owner occupation has been associated with immobility in the labour market, which has been part of the explanation for high levels of unemployment.[12] Geographical mobility for taking up work, is the key to upward social mobility. On the other hand, council and housing association schemes have done little to foster mobility and relocation either. And, despite, deregulation ten years ago, the private rented sector has made only a limited recovery. Yet housing mobility is key to combatting social exclusion.

Housing inflation is another problem for social exclusion. The combination of absolute shortages of units, exacerbated by land use

planning restrictions, and low levels of building are pushing up prices of second hand homes, particularly in cities where most jobs are. This leaves poorer income households less able to move to and within cities. We know that escape from poverty is often linked to the addition of new earners in a household through a new partner or the entry into the labour force of a young person: both events often require additional living space, which is expensive.

Since the 1980s, government policies have concentrated on subsidising housing consumption through mortgage interest tax relief and housing benefit, but have done nothing for supply. Housing benefit is now a major part of the poverty trap, making it uneconomic in the short run for many people to take a job that would mean loss of essential income from that benefit. Almost every major piece of housing policy since 1986 – private finance for housing associations, deregulation of private renting, ruling out council housing being subsidised from general council funds – has required housing benefit to take the strain. Many new housing association schemes are only viable on the assumption that all their tenants will be on full housing benefits for the sixty years of the loan financing.

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No strategy for social exclusion will be credible that does not shift the balance of resources toward stimulating the supply of housing choices for the poorest households and reducing the price of housing. In practice, this will almost certainly mean moving subsidy on to the supply side, and steadily away from subsidising consumption. To do this while bearing down on house price inflation will mean offering private landlords depreciation allowances and eligibility for grants, as well as focusing support for new building on sites in economically buoyant towns. Although there are some resources that can be freed

up for this purpose from housing benefit and mortgage interest tax relief, this strategy will entail an increase, in the short-term, in public spending. However, the alternative, and the implication of any policies to cut the housing benefit budget by simply forcing it downwards without making efforts elsewhere in the housing system, will be to further the concentration of the socially excluded.

Crime

If access to housing is now one of the biggest divisions, so too is vulnerability to crime. Nearly half all crimes now take place in just a tenth of the areas, and those areas are also usually the poorest ones. Crime matters not just because it damages people's well-being and erodes trust but also because in areas of high crime the incentives for young people, particularly men, to enter the mainstream labour market will be lower. If you can more easily make a living committing burglaries or dealing drugs, and if there is little prospect of being caught, then why bother to train and to accept a low paid, boring job?

For these reasons better crime prevention and crime enforcement has to be a part of any strategy for social exclusion and building social capital in the most socially excluded areas. Here, however, there is a tension with some of the tougher policies that have become popular in recent years. If governments move more quickly to impose sanctions upon people who do not train or take up job offers, then more are likely to be pushed out of the system into crime. Already, it is estimated, there are at least as many young unemployed men who are not on job seekers allowance in Britain as there are on it. This may make the figures look impressive, since it means that they have come off benefit. But its effect may be to reinforce their exclusion from mainstream society, as well as creating an added burden for the police.

Changing cultures

Tackling social exclusion means changing cultures – and building social capital is fundamentally a cultural strategy. This applies not only to cultures within government and among the private and voluntary

bodies that deliver public services but also among the wider public and among socially excluded.

It is too easy for politicians and policy advisors in government to forget this. British political culture is more comfortable with devising technical 'fixes', usually of the kind that reshuffle the tax and benefit incentives or press other economic levers. Such measures have their place, especially where changes to tapers can mitigate the effects of the unemployment trap without being hugely expensive. But no package of technical or economic changes will themselves tackle social exclusion effectively. We need strategies that work further back in the causal chains that bring about social exclusion. In particular, as well as using formal labour market institutions, this means drawing on the *informal* social systems and influencing the 'cultural lenses' – aspirations, time horizons, attitudes to risk, and so on – through which socially excluded people perceive the incentives they face.

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The point is certainly *not* to bring back the discredited idea that the culture of the poor is to blame for their poverty. Low aspirations and cynicism about opportunities, and short time horizons within which to think about income comparisons between working and claiming, are all important barriers that prevent many people from escaping social exclusion, but they are typically the consequences of that exclusion, not the causes. Government needs to use all the persuasive powers at its disposal to shift these misperceptions. As William Julius Wilson points out, in the most socially excluded ghettos of the United States, the geographical flight of the more successful from the inner cities means that there are no visible examples of how people can escape social exclusion.[13] Government needs to pursue housing policies for social mixing in order

to ensure that in the poorest areas there are such local examples on which constantly to draw. The message should be reinforced in schools through greater involvement with local business and the involvement in the school of a socially mixed board of governors.

There is a place in changing cultures for the more powerful tools of regulation and incentive. The proper role of time-limited benefits and tight conditions of active job search and duties to accept certain kinds of offers is cultural, rather than part of controlling public spending, and ministers and officials should take every opportunity to make this clear.

Anti-discrimination law and support for working parents and carers can signal to employers the importance society attaches to the employment of people with disabilities, older workers, single parents and carers. There is scope within the benefits system for eligibility conditions to be used to influence cultures, too. It might be possible to develop schemes whereby conditions that require claimants to not work could be waived for, say, six or eight months, while two thirds of benefit entitlement was paid, in order to enable people to use their social networks and informal labour market contacts to make the transition into work.

Crucial in the longer term will be the culture of parents valuing education for their children, rather than regarding it as, at best, a distraction. Schools have a key role to play here with parents, but there may be a case for the use of the benefit and tax systems to offer financial help for low income parents in purchasing particular home educational products for their children.

People permanently outside the labour market

So far, we have been concerned with ways to enable more people to get into, remain in, or get back into the labour market, as the principal strategy for getting out of social exclusion. Of course, there are some people who will not return to the labour market, because they have retired, or who will not enter or re-enter it because they are very severely disabled. But these are not fixed populations. As life expectancy rises,

there is every reason to expect that the age of retirement will also rise, and that people will work, perhaps flexibly and part-time, much later into what is presently regarded as old age. Moreover, there are many people with motor and sensory disabilities, for whom modern information and communications have made work possible, through home tele-working, or through Braille keyboards, voice-reconstruction technology, and so on. The concomitant of greater expectations upon older people and less severely disabled people to work should be the introduction and enforcement of effective legislation to discourage discrimination by recruiters on grounds of age and disability. Likewise, there are good reasons for preferring the use of taxpayers' money to support child care to enable single parents to work than its use to pay benefits from longer periods, thus deepening the unemployment and poverty traps for this group.

There is no case for increases in the generosity of income support for able bodied, unemployed people of working age or on housing benefit. Such measures would certainly make unemployment traps worse and would make poor use of resources. Yet there will be retired or very severely disabled people whose pattern of work and income during working life did not enable them to sustain the pension arrangements or savings that would give them a post-retirement payment in the form of a second tier pension or an annuity that would keep them from social exclusion. Some of them may end up dependent on the state pension and on income support. For this group, the generosity of benefits remains the key to combating social inclusion. There may well be a case for modest increases in benefit levels for these groups, although not to such a degree that this would either damage the incentives for taking out private second tier pensions.

The future: exclusion by information?

Social exclusion in the twenty first century may look rather different. Looking into the near future, two new sets of issues are likely to come onto the agenda.

One is the switch to electronic money.[14] As credit cards and smart cards become the norm the old and poor will be left dependent on
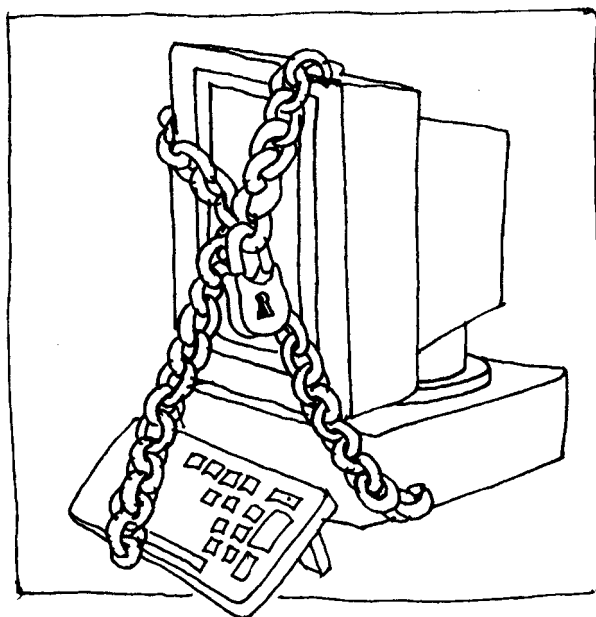
cash. Already they pay a high price for this, and there are now some outlets in the United States where cash is not accepted. If banks and the many other companies that issue electronic value continue to treat e-cash like credit cards, as something only to be offered to those who pass a creditworthiness test, then many of the poor could be left using notes and coins. Notes and coins are costly to process: they require expensive security arrangements to store and move, and even the cleaning costs of handling them are large. It would not be right to expect older and poorer people to pay these costs – as in the early days of credit cards, users (then rather wealthy) paid a premium to do. But equally, it would not be right for the taxpayer to subsidise the use of an inefficient monetary technology. One possible solution might be a legal obligation on issuers of cash to offer individuals an electronic option on each transaction.

There is also another side to the issue of electronic exclusion.[15] One of the most important features of the information society is the

extraordinary growth in the profiling of individuals. Data mining, data matching, and geodemographic profiling, and the use of new kinds of information such as DNA profiles and other genetic details are transforming the world of business opportunities, and also bringing with them new risks of social exclusion. Many geodemographic profiling tools work at the street or post code level. Used in risk assessment, they guide companies not to offer services to people living in certain areas, or even – for example, in the case of insurance, loans or mortgages – to deny them when they apply. The risks of injustice in such coarse techniques are very great. While the industry promises that it will eventually be able to construct the 'market of one', in which this kind of 'redlining' will not be necessary, most businesses are not at that stage yet. A major debate will open up in coming years about whether it is possible for government to use some combination of reformed data protection and common law to prevent socially exclusive effects in this area.

In this regard, another big set of issues on the horizon concern genetics and the prospect of over-the-counter genetic testing. Many organisations could demand genetic tests before doing business: not just mortgage and pension providers and insurers, or employers worried that their prospective employee might be prone to a heart attack, but also providers of loans for tertiary education. Within a generation, it is possible that an entirely new kind of exclusion will have arisen. If the dominant view remains that it would be wrong for government to require the private sector to pool risks across genetic risk classes because that is unfair on those with lower genetic risks, then compensating state protection may have to be offered if a 'genetic underclass' is not to emerge.

Why we should be optimistic

How optimistic should we be about the prospects of dealing with social exclusion? I began by rejecting some of the conventional arguments for fatalism. There is now a growing agreement that governments can act to prevent and end social exclusion, if they are sufficiently rigorous, single-minded and committed to pursuing policies of this kind over

the next fifteen or twenty years. There is also an emerging consensus that policies pursued in the 1980s resulted in the unfortunate double achievement of worsening social exclusion and driving public spending up, as budgets had to be shifted from education and housing into social security and law and order.

For those who remain pessimistic, however, one concern overrides everything. The world economy, they warn, is so structured today that it is bound to continue to reinforce social exclusion. For the fatalists, the best that government can do is to contain the situation. Anything more, they believe, is utopian fantasy.

But looking at the economies of the developed world, there is now every reason for drawing a very different set of conclusions. For some observers what is striking about the economy of the late 1990s is its resilience and its remarkable capacity to create jobs. Some of the areas of jobs growth are high technology – computer programmers, systems analysts, multimedia and so on. Others are in traditional face-to-face services like home health aides, restaurants, nursing and home delivery, and care for the elderly. Still others are in new industries, like call centres, and recycling.

Some important reasons for optimism are the emergence of less location-specific jobs and more service sector jobs that do not require long training or apprenticeships, demographic trends that mean fewer people entering the workforce, and more small households and older households that will stimulate new demand for services provided directly into the home. All of these could make it much easier to reduce unemployment.

This is not to deny that there will continue to be mismatches between the demand and supply of labour, partly because of where the jobs are and partly because of the attitudes and skills of those without work, particularly men.

Long trends in economic life are hard to predict. But there are undoubtedly some signs that after the painful and bitter restructuring of the 1970s and 1980s, information and communications technologies could now be about to power the developed world into a period of growth as dramatic as the long post-war boom or that of the nineteenth

century.[16] If this is so, then within a relatively short time the problems of severe and chronic long-term unemployment could once again become a thing of the past.

This may seem an excessively confident claim, when Europe still has nearly twenty million people out of work, and when US cities continue to be scarred by the exclusion of millions of citizens. But the time is now ripe for governments to once again become active creators of solutions. There is no place for fatalism about social exclusion and, for the first time in a generation, there is no reason for it. We can now begin to build a more inclusive society.

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Enterprise and exclusion

Enzo Mingione

Social exclusion manifests itself in different ways across industrialised societies. The challenge for governments is to strike the right balance between promoting enterprise and tackling social exclusion.

Poverty and social exclusion: connections and differences

Since the 1980s, concern with poverty has been on the increase in all industrialised countries. In the United States, debate continues on the state of the so-called underclass[1] and the apparently irreversible processes that condemn the ghetto poor and the homeless to highly disadvantageous life paths. In Europe, compounding a preoccupation with the threat of an underclass imported from America, the concept of social exclusion has been placed at the top of the policy agenda. Before addressing the main issues around social exclusion, it is worth considering some problems to do with definitions, method and indicators.

The first problem is the frequent use of the terms 'poverty' and 'social exclusion' as synonyms. As suggested by Robert Castel,[2] the phenomena that generate social exclusion need to be distinguished from those relating to poverty. The concept of exclusion is not a new way of defining the

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poor; rather, it draws attention to a combination of economic hardship and institutional discrimination, both of which help to create unfavourable life chances and chronic exclusion from normal citizenship. The idea of a combination of poverty and constraints on participation in citizenship is at the heart of the term 'social exclusion'; it points to new ways of identifying social groups and individuals who, in the present 'post-Fordist' transition to a new economic order, are locked into disadvantageous conditions. Poverty and marginalisation, on the other hand, are terms that refer generally to what may be short-lived, contingent situations.

The second problem concerns methods and indicators used to pinpoint poverty and social exclusion. In relation to social exclusion, we need to identify not only indicators of poverty but also the institutional processes that bring about exclusion. The poor are disadvantaged not because the amount of resources at their disposal is low but because it is insufficient for socially acceptable conditions of life in a particular historical community.[3]

Our view of poverty is inconsistent with systems of measurement at the macro level. The identification of the poor takes place in two different ways. The first defines the poor as the individuals living below poverty lines – conventional yardsticks of disposable income or expenditure, fixed officially either in relation to the average per capita income of the population or in relation to a fixed minimum. The second way is to consider as poor those individuals assisted by specific welfare programmes.

Poverty lines are useful but cannot tell the whole story. They measure levels of income or expenditure at a certain moment in time. As such, they do not tell us anything about duration over time, sufficiency of resources for satisfying basic needs, the variety of resources available and their effective use, the variability of social and demographic backgrounds, or many other issues which are important in seeking to understand poverty.

Identification of the poor with welfare recipients also has serious limitations. First, it is problematic for comparative purposes. Welfare programmes are diversified at the local, not to mention international, level. They are also selective in two different ways. From an institutional

perspective, they fix minimum requirements for receiving assistance. In addition, not all those entitled to welfare apply for it. What we have here is a selection process that involves not only issues of information and efficiency but also those of cultural bias and stigmatisation. This selection process means that knowing the number of welfare recipients does not tell us the true scale of social exclusion.

It is therefore important to start with two interconnected caveats: first, social exclusion does not automatically coincide with generic poverty; second, poverty indicators provide estimates whose interpretation must be based on an analysis of the complexities of the wider social environment. In other words, we need to be aware that, in assessing poverty, we are starting from indicators which are themselves open to question.

The production of social exclusion by current post-Fordist trends

A description of how current socioeconomic changes generate social exclusion is based on two key points. First, it is widely accepted that there has been a qualitative change in the most important dimensions of industrial growth and their impact on social life: the economy and employment systems; demographic and family patterns; and government welfare policies and services. Second, even though these tendencies are present in all industrialised countries and there is much talk of globalisation, major differences remain between and within Western states. Political and social responses to structural change still vary significantly at the national and even local level.

Employment systems have undergone two major changes: declining employment in big manufacturing industry on the one hand, and 'tertiarisation' – growing employment in public and private services – on the other. In all countries, jobs have tended to become more heterogeneous, less stable and less likely to be a source of continuous employment. It is this process that is contributing to greater fragmentation and new boundaries between the included and the excluded, making it necessary to redesign the mechanisms of social welfare.

'The poor are disadvantaged not because the amount of resources at their disposal is low but because it is insufficient for socially acceptable conditions of life in a particular historical community.'

The two most evident negative employment syndromes have been rising levels of long-term unemployment and the spread of precarious and poorly paid jobs, both accompanied by greater social inequality. The first syndrome is typical of some continental European countries, while the second is most developed in the United States. But in all cases, we find a complex range of developments relating to self-employment and small firms, the welfare system and the social profile of the unemployed and of the 'flexible' workforce.

Demographic transformations help to destabilise working lives as well. Besides longevity, the instability of marriage and low fertility rates are changing the balance between family support and working careers. There is a growing polarisation between more secure and stable households on the one hand and more unstable and socially isolated family situations on the other. Not only do nuclear families based on a couple with young, dependent offspring occupy a decreasing part of the life cycle, they also represent a declining share of the population. The diversification of family patterns, characterised by rising percentages of single parent and reassembled families and single person households, interacts with the polarisation between families sustained by a single high income or multiple incomes and those sustained by a single, discontinuous income or excluded from work and forced to turn to welfare.[4] While economic demands make it necessary to rely on more than one source of income, a large part of the population depends on a single low income or on welfare benefits.

State welfare regimes may even help to produce social exclusion because they find it increasingly difficult to tackle social problems in conditions of rapid change. Welfare systems are put together very differently but all are designed to complement 'Fordist' social patterns – breadwinner household regimes, rising employment in high-productivity

industries, the centrality of nuclear families and the decline in self-employment. They are beset by financial difficulties, by the diminishing effectiveness of programmes in the face of the growing heterogeneity and fragmentation of social needs, and by the diminishing capacity of national regulation to deal with global financial and information flows and with reinforced local and sectional identities.

Under these conditions, forms of social exclusion arise that are hard to overcome. The accumulation of social and employment disadvantages among certain population groups – minorities, recent immigrants, people in decaying neighbourhoods within regions hardest hit by de-industrialisation or those dependent on a weak industrial base – generate large-scale social exclusion. This is understood as a chronic and institutionalised lack of access to the opportunities and resources that guarantee the living standards of most of the population.[5]

The greater instability and diversity of working lives and of household structures intensifies the risk of widespread social exclusion. This is a key effect common to all models of advanced industrial society in transition to a 'post-Fordist' economy. The protection provided by state, families and market resources is no longer able to provide total cover for citizens sustained by unstable or low income work or for the increasingly frequent cases of those who end up living alone or in families overburdened by problems and ill-equipped to deal with them. The area of need and of potential drift into marginalisation is widening, reflected in trends towards labour market deregulation and, in many cases, an increase in the share of the population below the poverty line.

This increasing risk of failure of social integration frames the question of social exclusion. For reasons of environment (ghettos or decaying neighbourhoods in the big cities hit by de-industrialisation), social origins (disadvantaged minorities, immigrants, gypsies) or as the outcome of more serious and cumulative impoverishment (the homeless), a part of the marginalised population finds itself effectively segregated. This process of deprivation is reinforced by institutional discrimination which makes any return to the mainstream of economic citizenship very difficult and imposes stigma.

Examples of different patterns of social exclusion production in post-welfare capitalism

At the macro level in Western societies, there are common elements of socioeconomic restructuring that are creating tensions which may give rise to chronic social exclusion; however, this process is likely to be structured differently in the various models of post-welfare capitalism.[6] We know little as yet about how this process will work out over the longer term. But we can begin by considering the clear division between economies characterised by deregulatory strategies and those still wedded to the 'Fordist' welfare state.

The crisis of the old welfare state is reflected in two syndromes found to varying degrees in all industrialised countries. The more traditional welfare assets are defended in order to offset growing deficits in social care, the more problems emerge in the form of growing costs and rigidity (and, eventually, persistently high unemployment), as is happening in continental Europe. Conversely, the more regulation and state welfare programmes are allowed to decline so as to foster the spread of flexible forms of work, the greater the risk of increasing social exclusion, as is the case in the United States and the UK. Neither the all-out defence of welfare programmes nor deregulation seem to offer new and lasting prospects of an innovative balance between economic efficiency and social needs.

The failure of current strategies confirms the diagnosis: a transition requires the redesign of welfare systems. This cannot be obtained simply by speeding up the process of making family and working life more precarious or by defending the guarantees typical of existing welfare systems. Indeed, by promoting the erosion of welfare guarantees, strategies for 'flexibility' not only increase the risk of exclusion, they may also fail to help produce the basis for competitive advantage in the emerging global market. At the opposite pole, all-out defence of welfare institutions not only creates problems for state finances and inhibits the development of innovative forms of enterprise; it also fails to check the spread of social exclusion. We need to look at the production of social exclusion in two different cases, the UK on the one hand and the south of Italy on the other, in order to understand why neither

the deregulatory approach nor the defence of established welfare structures can succeed by themselves in preventing the spread of social exclusion.

From a purely economic point of view, the UK today is to be envied: state finances in order; a falling rate of unemployment; above-average economic growth. But underlying this apparent miracle, based on the 'flexibilisation' of the labour market and the erosion of welfare guarantees, the picture is anything but rosy. Persistently large sections of the British population live below the poverty line: in 1993, individuals living in poor households amounted to 22 per cent, against a European average of 17 per cent, and the proportion of children living in poverty, at 32 per cent, was by far the highest in Europe.[7] The old manufacturing systems have been dismantled in a long process of de-industrialisation.[8] This process was completed by Thatcher's reforms which undermined welfare guarantees in favour of an economy focused on services in general and finance in particular. The resulting flexible labour market has been based on low wages for many workers and lightly regulated working conditions. So today, on the economic front, 'British manufactures have "the worst of all worlds", lacking the independence and power to move into high value-added, small batch production but denied the stability and size of orders necessary to reap the traditional benefits of economies of scale.'[9]

> 'In all countries, jobs have tended to become more heterogeneous, less stable and less likely to be a source of continuous employment. This process is contributing to greater fragmentation and new boundaries between the included and the excluded.'

At the same time, on the social front in the UK, there is a large and growing number of diverse households on low and volatile incomes earned in low-skill service jobs or excluded from the labour market altogether.[10] Many live below the poverty line and have no choice but to live with the erosion of social protection. Those hardest hit by exclusion

are the former working class populations in the de-industrialised cities such as Liverpool and Newcastle, the more poorly educated ethnic minority groups destined for the more humble jobs in the private tertiary sector, and single income families supported by women confined to low paid, part-time jobs. The basic picture is worrying because economic success for the rest of the country has so far offered this substantial minority little or no opportunity for escaping from adverse conditions. The difficulties in modernising the educational and vocational training systems, the lack of attention to preventive policies in health and crime and deterioration of public services, combined with more unstable family and work patterns, leave the bottom layer of the population at risk of marginalisation. All this is combined with the increasing advantages being accumulated to the benefit of an élite of business professionals and an industrial structure that is less and less controllable on a national scale. The risk is that, rather than produce synergies between economic growth and forms of welfare that are compatible with the new individualism and fragmentation in the worlds of family and work, models of this kind could activate a vicious circle typical of cases of economic and social underdevelopment.

The Italian situation is different, though with the same end result of creating a high risk of exclusion, concentrated in southern cities. Here, social polarisation has deep geographical and historical roots. In the centre and north of Italy, rates of unemployment and poverty are low and are associated with contingent loss of family, employment and social links. In the south, by contrast, the unemployment and poverty rates are high (around 20 per cent, against some 8 per cent in the centre-north). A large slice of the population is affected, including, as in the UK, a large number of children who mainly belong in this case not to single parent families or ethnic minorities but instead to large families in the decaying inner city and suburban areas. In the Italian context, an account of social exclusion must cover the striking connection between, on the one hand, the growth of mass youth unemployment in a fragile economic system, characterised by widespread informal work, and, on the other hand, high levels of poverty, with citizens segregated in parts of the cities and discriminated against institutionally

in terms of access to welfare.[11] Family fragmentation does not play such an important role here; and ethnic divisions are not a central factor in exclusion as they are in the American ghettos and among large immigrant communities in the rest of Europe. However, the process undoubtedly leads to a relatively high level of social exclusion.

In the south of Italy, the correlation between poverty and unemployment is indirect and complicated. The high level of joblessness, due to the lack of stable job opportunities for many young people, is reflected in the very high number of nuclear households supported by a single low income. On the one hand, the job crisis leads to the exclusion from paid employment of poorly educated women (the shortcomings in care services also mean their burden of domestic chores is even greater); on the other hand, in fierce competition for the more secure jobs, men from the same social background are pushed to the back of the queue. This forces them to accept underpaid employment, which keeps their families' standard of living at a critical level. The operation of this vicious circle is evident from comparative data on employment in the north and south and shows up dramatically in the living conditions of young families. Among women aged between 25 and 30, more than 50 per cent of those in the north are in work while in the south this figure drops to 25 per cent. Among men between 30 and 40, less than 10 per cent of those in the north are jobless or in low quality jobs whereas the figure is almost 40 per cent in the south. The high incidence of poverty among large southern families is, therefore, not mainly due to demographic factors – in the sense that the birth rate and the share of large families remains higher than in the north – but rather to the social conditions shaping these families' quality of life.

In conclusion, it seems that the dangerous currents running through the present economic transition stem from the fact that the balance between economic efficiency and social need has been upset. This imbalance leaves many people idle or underemployed and also fails to meet key social needs and reinforces poverty, marginalisation and exclusion.[12] It is imposed by the rules of a market economy in which working activities and people's needs are measured in rigidly monetary terms. Self-sufficiency, unpaid reproductive activities, solidarity and

social capital are marginal to this system of rules for value-adding activity, making it hard to release untapped working energies and meet unsatisfied life needs. Over the long term, the question is whether regulatory structures can strike a different balance: one that is no longer subservient to a monetary regime and which allows unused working energies to stimulate, rather than stifle, enterprise, while at the same time ensuring against a growing deficit in social cohesion that could threaten the minimum levels of trust and cooperation essential to economic development.

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Knowing the code

Mary Douglas

The term 'exclusion' would previously have been used with reference to land rights, then to industrial capital and finance, then to intellectual capital, social capital and human capital. But how are we to think about information exclusion?

Information networks

Information technology permeates all of our lives, to the extent that we will soon think of ourselves as information transmitters and receptors. Instead of having acquaintances and peer groups or neighbours, we will have information networks. Networks can be made of strong ties or weak ones. Flowing from this, a new concept of network poverty has emerged, along with the idea that it might help public policy to know whether particular patterns of network carry advantages and for whom.[1]

In 1973, Mark Granovetter pointed out the negative effects of strong groups and the benefits of weak social ties.[2] But network theory is not going to be enough for thinking about new forms of exclusion. It is a method for exploring patterns of social ties and their implications, such as the relative benefits of weak ties versus strong ties. Weak ties are scattered and episodic; strong ties are enduring, dense and organised.

Author of *Purity and danger*.

A community of strong ties tends to be exclusionary, everyone knowing everyone else. Internal secrets obstruct the flow of information and repels outsiders. But a group that excludes is, by the same token, cut off and easily excluded by other groups. For example, members of a community with strong ties faced with a dislocation of the economy that places an entire region at a disadvantage will find their strong ties avail them of nothing: they will all be poor together. By contrast, people who only have weak ties over a wide range of the population do better in a similar crisis, as they will hear news from scattered quarters and find opportunities for employment or gain. The more useful weak ties do not have to be links with altruists. On the contrary, the connection is to everyone's mutual advantage.

Should public policy encourage a society of weak ties, supporting greater mobility and change? Or should it try to foster a culture of long-term commitments? Dense networks are slow to build and emotionally charged. Once made, they can lock individuals into a disadvantageous situation and a whole community into poverty. How should the ghetto's internal warmth be traded against its external vulnerability? Is it a mistake to settle destitute refugees together? Strong ties are best for certain dependent categories of the population such as infants, elderly people, the handicapped and the chronically infirm. But strong ties broken are hard to mend: it is not easy to foster them at the right phase in the life cycle and to loosen them at other times. Weak ties, on the other hand, appeal to our cultural bias in favour of an open society.

Closed information systems parallel monopolies in economic analysis. Just as traditional societies that resist change are criticised in development economics, the ideal science community is thought to depend on the free exchange of ideas. However, while an open society may be more egalitarian it will not necessarily be less exclusionary.[3]

> 'Since private decisions create exclusionary barriers by building or breaking networks, the theory of an information society must tap into these communications.'

Social comparisons tend to get aligned with ideological confrontation. Network theory may be able to provide an objective basis for policy but a theory of cultures has not yet been plotted out on the various network patterns (although work is in progress – introductory article of this Collection). The difficulty in mapping cultures stems from conflicting judgements about rightful human aspirations: the same fog that impedes social theory at all times. A further difficulty is the lack of an independent model of an information society.

Networks may seem to arrive of their own accord, with ready-made weak and strong ties, but they are made through the free choices of free citizens. Invitations and memberships depend on personal decisions to invite or not invite, to accept or refuse, to intermarry or not. Since private decisions create exclusionary barriers by building or breaking networks, the theory of an information society must expect to tap into these communications.

Names

A radical information theory would have to treat the exchange of information as the only relevant activity of rational agents. In this model, every transaction would be either a sign being transmitted or a signaller transmitting and receiving from other transmitter-receptors. By this device communication is explicitly and deliberately abstracted from rational human beings' every other activity.

Anything can be a sign and everything communicates: body, face, gesture and movement in space. But the communication theory of society only takes account of named entries in a series of social exchanges. Names are small, discrete units, which can conveniently be indexed and catalogued. An indicator based on an exchange of names is suitably abstract and comprehensive. Physical consumption is not omitted from the index so long as it has names and counts as an activity that keeps persons fit for communicating with names. For a communication theory to abstract only the names from all social activities is no more arbitrary than taking GNP as the wealth of a nation.

Indexing and cataloguing goes on continuously in people's minds. Names are the materials of organising and classifying and for that reason

they are also claims to have and to do. The reciprocal exchanges in which names are used are not neutral media of social relations. Names work as tickets of admission or as weapons of exclusion. The meaning of the word 'information' has to be expanded to take account of its inter-ventionist power. The right accumulation of names, correctly organised, gives entitlement, credit, authority to speak and be heard, honoured. The wrong collection of names means rejection and exclusion.

For example, the candidate for admission to a golf club will be judged but not on his play. The selection committee considers the names of persons that know him and are known to them, names of other clubs he has joined. An adroit display of names is proof of competence and sometimes an entitlement. To some of the most exclusive clubs, no amount of money can buy admission, in others no amount of name dropping will reduce the fee.

On these lines we can have a communication model of society stripped down to its bare essentials. It comprises two basic elements: persons and names. The person's overriding goal will be to remain an actor in the system of reciprocal exchanges. Persons collect names, offer them to others, scrutinise, reject or accept them, with the aim of keeping personal creditworthiness. The hierarchy of goals must include acquiring the experience necessary for competent performance. Each individual is in an information environment which is responsive to the justifying, criticising, persuading, induction of collaboration and rewarding that is going on all the time. The theory is essentially about a dynamic social process which bestows value by classifying and ranking persons and activities.

A person can be marginalised because of names incompetence. Before the interview the candidate tries to revise his or her collection of names. The selection committee may be impressed by the name of a golf course he claims to have played on, but he does not seem to know the famous problems of the eleventh hole. On being pressed there is doubt whether he even knows the names of the golf clubs. Quantity of names is not enough. The person without direct experience will give himself away by failure to use the names in complex sequences. The same with fishing talk, football talk, wine talk and all professional talk.

Information quality

The way names are generated depends on the community that is using them. Presumably, a dense social network would generate a larger quantity of names than a sparse one, and more if it is an organised network. In the process of arranging its own vertical, lateral and overlapping action sets, the community generates names for the ranking and ordering. A purely technical judgement of information quality is possible. High quality means complex organisation, fine distinctions of levels and multiple hierarchies of inclusive sets.

The golf club admissions secretary suspects incompetence when the names dropped by the candidate seem to lack order. Or he suspects an impostor if the hopeful new member claims the friendship of an influential patron but pronounces his nickname incorrectly and fails to recall where he lives or the name of his wife. High quality of information is its own guarantee.

The information society is a filing system and its memory as well as its exclusionary strategies are all part of it. Without quality organisation, there is no quality information. An office, store, or government with a high turnover of staff has lower information quality than one with a stable staffing policy because the short-term past contains too little information. Some strong ties reaching back and carrying expectations for the future are necessary for the long memory and the long view.

The weakness of weak ties

Can we suppose that a future information society is going to be organised on the basis of weak ties? If so, 'an easy come, easy go' attitude and a lack of enduring ties will result in a system suffering from names poverty. Without more long-term coordination to activate a common memory reaching back to a shared past, any future is plausible and nothing is predictable. Such a culture would tend to combine self-reliance with a distrust of others, leaving no rational theory of punishment and reward as credible.[4] By comparison, a society of strong ties depends on a commonly agreed theory of justice and authority.

A society based on weak ties is very exclusionary, in spite of its openness. The exclusion is insidious and unintended. Whole swathes of useless names are inadvertently dropped from the register. Any scrutiny of the address books of such a population would reveal the haphazard quality of such large collections of names. A society based on strong ties hardly needs address books; anniversaries are written into the calendar; initials do instead of names. Its exclusions are deliberate and explicit. But, in compensation, a society based on strong ties is capable of a higher level of rational argument because of its information quality.

> 'A society based on strong ties is capable of a higher level of rational argument because of its information quality'

There is only one way in which a thorough-going information society can combat the isolating trend of weak ties. That is by creating virtual strong ties based on high quality information. Everyone should be able to know the classics, whatever the shared literary stock may be. Improved names competence produces a public good in the form of people able to speak to and hear each other, and to imagine what strangers are saying. Older generations can go back to school and learn what the young have been talking about.

In short, this is an argument justifying public spending on education, public libraries, the theatre and technological education of all kinds. There need be no unemployment where there are music festivals, book fairs and dramatic performances to be organised, or learning and teaching to be done. An information society would also need to subsidise telephones generously and continually to upgrade subsidies to new electronic communications. An uneven distribution of access to means of communication seems on this approach to be the salient injustice. Subsidising information will not prevent insidious exclusion in a free society, but it will equalise opportunities and reduce unintended exclusions.

Notes

1. 6P, 1997, *Escaping poverty: from safety nets to networks of opportunity*, Demos, London.
2. Granovetter M, 1973, 'The strength of weak ties' in *American Journal of Sociology*, no 78, 1360–1380.
3. Young M, *The rise of the meritocracy*, Penguin, Harmondsworth.
4. Burt RS, 1997, 'Entrepreneurs, distrust and third parties: a strategic look at the dark side of dense networks' and (forthcoming) 'The contingent value of social capital' in *Administrative Science Quarterly*.

Plugging in

John Browning

Government policy should take the lead in using Internet opportunities to combat information exclusion.

The Internet has unleashed great waves of discussion about information exclusion. Since the Net began to impinge on popular consciousness, politicians of all stripes have frequently expressed their concern about 'information haves and have-nots'. This is usually just before they propose some sort of subsidy to telephone companies, computer makers or both. But somewhere between the noble sentiment and the plastic and silicon appliances which benefit from it, there lie many unexamined assumptions. If either the money or the good intentions are to have any positive effect, these assumptions need to be carefully considered.

There is a fair amount of money already at stake. In the United States, the Federal Communications Commission will take about $8 billion from extra charges imposed on second residential telephone lines and other 'non-essential' telecoms services and use it to subsidise the cost of connecting schools, libraries and hospitals to the Internet. While Britain has not decided what it is going to do about extending access to the Internet, ideas mooted include both direct and indirect subsidies. One

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'Money is in many ways the least problematic issue in the debate over information haves and have-nots. Also at stake is the ability to understand and to grasp the huge opportunities which technology creates.'

idea is to use the proceeds of spectrum auctions to pay for Internet connections for schools, libraries and other public institutions. Another is to offer competitive favours to firms willing to wire up worthy contenders – like the deal New Labour has discussed with British Telecom to wire schools in return for an early lifting of regulations which now prohibit BT from competing in cabletelevision markets.

But money is in many ways the least problematic issue in the debate over information haves and have-nots. Also at stake is the ability to understand and to grasp the huge opportunities which technology creates. Two propositions seem to underlie today's concerns. The first is that technological change in general – and the Internet in particular – will widen the divisions in society. The second is that direct interventions in the distribution of technology will heal the rifts that technology has created. Both propositions are wrong. Worse, they focus debate on the technology itself rather than on its consequences.

A computer is a necessity neither for life nor for citizenship. Nor is a connection to the Internet. True, both may one day become necessities but they won't do so on their own. All of today's efforts to redistribute the supply of boxes and wires beg the question of how or why people should need access to the Net in the first place. And therein lies the real opportunity.

Government – or indeed anybody – could have a far bigger impact by *using* the Internet rather than subsidising it. Only by using the Net can they grasp the opportunity it offers to redistribute information and, with it, power. Only by using it can they create the applications that may someday make the Net both necessary and ubiquitous.

But if governments are to use the Internet, policy makers will have to discard some entrenched beliefs dear to vested interests. They will

also have to tackle some uncomfortable new problems. To understand the new agenda, we need to start by discarding some of the false assumptions underpinning those old beliefs.

There is no shortage of Internet

The Internet is the fastest diffusing technology the modern world has seen. Its use is expanding faster than fax, television or telephone did in their day. About 70 million people are now on the Net, 40 million of them Americans. There are over 1 million Web sites, boasting over 80 million pages. Both population and content are growing by between 40 and 60 per cent a year.

Britain does well in international comparisons. According to the 1997 European Computer Literacy Report, commissioned by Olivetti Personal Computers, Britain has the highest computer-student ratio in the world. Every primary school now has at least one computer. According to pollsters NOP, about half of British households with school-age children now have computers. Overall, home usage of the Internet grew by 150 per cent in 1996 to 1.6 million, five times as fast as usage at work.

True, the Internet is still used mostly by the affluent. But in Britain the disparities are much less than in the United States. A recent US survey by Business Week found that only 18 per cent of Internet users had income below the national median of about $25,000 a year. In Britain, NOP estimates that the median household income of Internet users was roughly the same as the national median of £15,000. Although the relatively large share of students in the British Internet population drags its median income down, even home Internet users are not significantly more affluent than the rest. Fully 40 per cent had incomes at or below the national median.

Every new technology is first adopted by those with more discretionary income. The question for policy makers is whether it will spread through the population under its own steam or if it will need a push. The distribution of Internet access in Britain suggests that, here at least, the Net is so far doing quite well on its own. Both the history of

technology and the economics of the Internet itself give good reasons for further confidence.

'Universal service' is not really universal

Two technologies have already reshaped the world this century: telephone and television. In the name of 'universal service' for telephones, regulators channel billions in cross-subsidies from (presumably) affluent business and long-distance customers to (presumably) poor and price-sensitive residential users. Television receives no subsidies and in Britain it is taxed at a rate of nearly £100 a year through the television license, even for the poor. Yet the popularity of television outstrips that of the telephone everywhere in the world. Given this fact, it should not be taken for granted that models of 'universal service' regulation created for telephones should be extended to the Internet. Yet that is exactly what is now being done – particularly in the United States, where extending universal service is the explicit brief for the programme of Internet subsidies for schools, libraries and hospitals. This is misguided. Neither the social nor the economic justifications underlying universal service for telephones apply to the Internet.

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The framers of universal service policy had very specific services in mind. They wanted to make sure that everybody could call emergency services and chat with (presumably local) family members. Nobody uses e-mail to summon the fire brigade or ambulance. Nor has anybody figured out what the truly essential applications of Internet technology might be. This leads to conflicting regulations which mostly benefit entrenched interests.

The local bias of universal service cross-subsidies is already at odds with the global reach of the Internet. India, for example, has been one of

the staunchest opponents of the liberalisation of international telecoms trade because it wants to keep international call charges high in order to subsidise local connections. But the high cost of international lines to connect to the Internet handicaps the young software firms clustered around Bangalore who are trying to use the new global connectivity to reach new markets.

In the United States, money to subsidise Internet connections for schools, hospitals and libraries is raised largely from higher prices for second (and third and fourth) telephone lines for homes. Yet those connections are often used to reach the Internet. The same big telephone companies who most strongly support universal service programmes are also lobbying to levy new usage-based charges on Internet traffic. What this lacks in moral consistency, it more than makes up in economic consistency. Both universal service subsidies and higher charges put more money in the pockets of established firms – and wrap markets in a web of regulations that makes it harder for newcomers to enter and to manoeuvre.

Economically, television has historically had an advantage over telephone in achieving fast growth. Because they require only a central transmitter rather than loops of wire to every home and office, television's wireless networks have been cheaper and easier to deploy. But new wireless technologies for two-way communication are now rapidly eliminating that advantage. Moreover, the Internet supports a wider variety of content, with a far wider variety of business models, than does the telephone. As with television, most of the content is free to users, supported either by advertisers or by companies eager to use this channel to reach customers. (Indeed, in America a company called Hotmail is experimenting with advertiser-supported e-mail.)

Studies suggest that one factor keeping the very poor off the telephone is difficulty in managing usage-based charges. The Internet's flat-rate pricing schemes should help ensure that more people have the confidence to get on-line. And the growing variety of free-to-the-consumer content becoming available should equally ensure that they have reason to do so. For these reasons, the economics of Internet growth should be more like those of television than telephone. Indeed,

the sheer momentum of the Internet's growth could expand the network further and faster than television – if left free to do so.

The Internet fuels its own growth

Classical economics predicts that supply should grow to equilibrium with demand and, all other things being equal, rest there forever more. Computer markets have put a new twist on the old theory by showing how growth can fuel further growth. As demand for computers increases, the cost of producing them falls. Falling prices, in turn, increase demand, which enables prices to fall further and so on in virtuous circle.

This positive feedback also applies to networks, but doubly so. As with computers, increasing sales decrease costs for network technology. But, unlike computers, increasing sales also increases the value of network technology. The more people a network connects to, the more likely a newcomer is to find people to talk to, or some useful content to consume – in other words, the greater the value of connection. Vijay Gurbaxani, a professor at the University of California at Irvine, has created an econometric model based on this doubly positive feedback which neatly captures the rapid growth of both the Internet and predecessors like BITNet. The model bolsters optimism about the Internet's ability to rapidly grow to ubiquity. Moreover, by demonstrating the dynamics of growth, the model also highlights a new direction for government Internet policy.

'Classical economics predicts that supply should grow to equilibrium with demand and, all other things being equal, rest there forever more. Computer markets have put a new twist on the old theory by showing how growth can fuel further growth.'

Lowering costs is not the only way in which government can speed and shape the growth of the Internet: it can also do so by increasing the Internet's value, by creating content and services for distribution
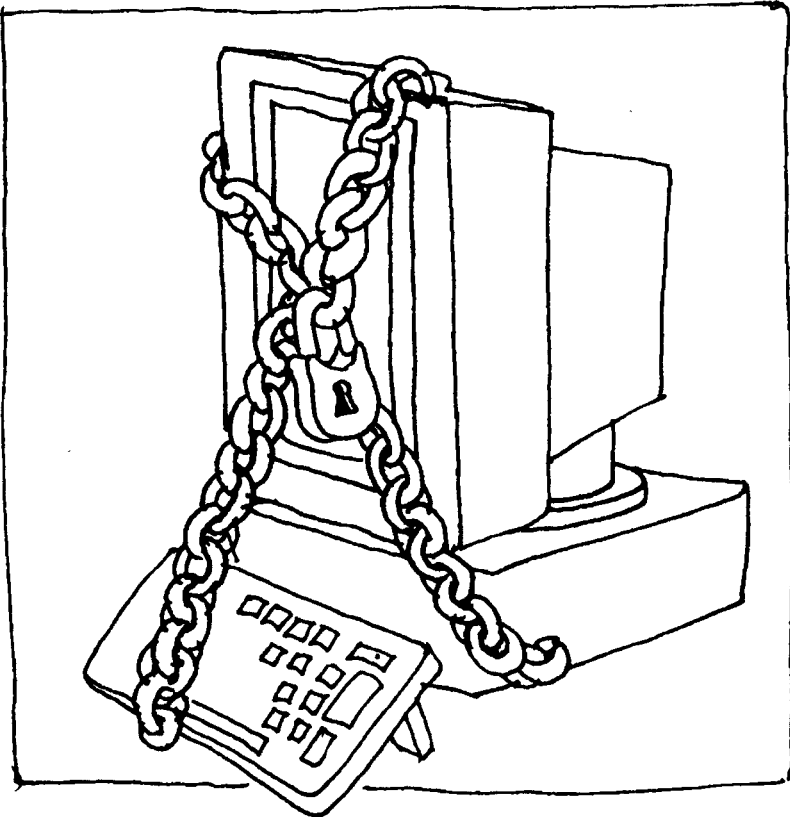
over the Internet. Indeed, if government is really clever, it should be able to create content and services that more than repay the costs of acquiring a connection. Education and the delivery of government services are the obvious areas to start looking for these 'killer applications'. But before they start the search, policy makers should pause to think about the criteria for success.

Information is diversity

Fighting exclusion typically is about making people more the same, providing the few with the same things as the many. Expanding access to

information, on the other hand, is about making people different, giving them more choices. There is no point to information *per se* unless it is used to make decisions of one form or another: logical decisions, judgements of taste, instinctive reactions, whatever. There is equally little point to information that all people decide about in the same way. More information means more decisions means more diversity.

The logic of information points to the unpredictability of ways in which the Net can facilitate a sense of inclusion. It underlies one of the most important effects of installing new computer networks into existing organisations: namely, a blurring of the boundaries of both individual and organisational identity. At the individual level, the ability of networks to leapfrog space and time enables people to indulge personal interests that would otherwise succumb to inertia. One of the more heartwarming examples of this process from Howard Rheingold's book, *Virtual communities*, illustrates how the parents of sick children were able to use computer networks to connect with others for counsel and support – even when housebound in the middle of the night. The relationships thus formed were very narrowly focused on particular interests or concerns. The people involved did not always like each other when they met face to face. But the on-line relationships were none the less satisfying or important for it.

MIT psychologist Sherry Turkle, in her book *Life on the screen: identity in the Internet*, argues that these on-line relationships subtly change people's sense of identity. A sense of oneself becomes a sense that embraces all of the varied and potentially conflicting relationships that networks enable. As with people, so with organisations.

Many companies have demonstrated the power of computer networks to blur – or even demolish – traditional organisational boundaries. Traditionally, groups and departments have been largely defined by the contents of their filing cabinets. Information could only be in one place at a time and where it was determined the nature of the work. But when filing cabinets are replaced by databases, information can be in many places at once. Groups know more about their colleagues elsewhere and more is known about them. Previously sharp divisions become blurred.

For governments, the new logic of information combines with the diversity, chaos and uncertainties of the Internet to create three challenges to traditional values.

Fairness

Traditionally, fairness has dictated that government services should be available to all or targeted at specific disadvantaged groups. Network services are likely to be neither. The most necessary services for the poor and excluded are outreach services. Networks do not reach out; they simply allow individuals to reach in – and they mostly want to reach for different things. Yet by adding its own information and services to the growing networked variety, government can undoubtedly foster a greater overall fairness and access to services, even if none of the individual offerings are themselves 'fair' in the traditional sense.

Risk

Governments are understandably risk averse. Taxpayers' money is not something to be punted with. Yet risks are inevitable on the Internet. Nobody knows what will succeed here. Given a portfolio of ventures, the benefits of the successful will likely far overshadow the costs of the failures. But there will undoubtedly be failures.

Public versus private

In Britain in particular, people have perceived a strong distinction between public and private. The public sector works first for the good of the whole and second for individuals; the private, first for individuals and second for the whole. Leaving aside the question of whether this distinction ever made any sense, networks will certainly diminish even the perception of it. They allow the pools of information that once separated civil servant and business executive to spread to both.

The organisation needed to meet these challenges and get government on to the Internet and into the networked world is easier to describe than to implement. It must be quick to grasp individual

opportunities thrown up by the new technology of networking, which will inevitably require taking risks. These risks can be managed by considering Internet ventures as a portfolio of projects. So long as the portfolio as a whole increases the efficiency and fairness of society, it can be considered a success.

> 'In Britain in particular, people have perceived a strong distinction between public and private. The public sector works first for the good of the whole and second for individuals; the private, first for individuals and second for the whole.'

The big problem is that both the portfolio and the projects it contains will cross two disputed boundaries: between civil service departments and between public and private sectors. Theoretically, it is certainly a good thing if government provides the context and information needed for the private sector to do jobs now performed by government – and it is certainly a good thing to use the power of computers to eliminate waste, duplication and inefficiency between Whitehall departments. In practice, however, managing the day-to-day politics that translate theory into reality is extremely difficult.

Optimistically, the advent of the Internet offers two starting points to begin building the momentum needed to overcome the inevitable infighting and turf warfare. One is a broad-brush statement of principles, the other a collection of exciting new projects. Taken together, these could build a powerful impetus for reform.

Set information free

Judging by corporate experience, a wider distribution of information is a natural consequence of the growth of computer networks, and a wider distribution of information inevitably reduces the gaps that politicians say they worry about between information haves and have-nots. Also going by corporate experience, one of the biggest obstacles to achieving

this distribution is the temptation for executives to hoard information because of the power it can bestow. For any number of reasons – promoting democratic debate, giving to taxpayers information they have paid for, and fairness, among others – government should be setting a shining example of information sharing. Yet British governments have been among the most egregious hoarders. That must change.

The advent of widespread computer networks adds extra urgency to all of the arguments for a Freedom of Information Act. Today, British government operates under the Official Secrets Act. The presumption about government information is that it will be kept secret unless a strong case can be made otherwise. A Freedom of Information Act is needed to reverse that presumption. Government information should be public unless a strong case can be made for secrecy.

'The Internet offers an obvious and powerful way to put the noble words of a Freedom of Information Act to practical work: put government information on the World Wide Web. Start with government publications but move quickly on to all materials not classified as confidential.'

The Internet offers an obvious and powerful way to put the noble words of a Freedom of Information Act to practical work: put government information on the World Wide Web. Start with government publications but move quickly on to all materials not classified as confidential. While Whitehall and many town halls are still woefully under-wired,[1] even they now produce all formal documents from a word processor. Those word processed documents can be posted directly on to web sites, one site for each department or organisation. Clearly the more indexing and formatting that could be applied, the more useful the sites would be. Down the road, the sites could also provide discussion areas, promoting local consultation and debate. But the important thing is just to get started.

One objection to putting government material on to the World Wide Web is that it could cut into the ability of Her Majesty's Stationery

Office to sell government publications to recoup the costs of printing them. If the experience of MIT Press and America's National Academy Press are anything to go by, those fears are largely misguided. People will not read long publications at a screen. It's just too awkward and uncomfortable. So Web publication provides merely a taster for the material – which, academic presses have found, dramatically boosts sales.

Indeed, if the government really wished to share information it could make deposit on the Web a condition for granting crown copyright. Today, copyrighted materials must be deposited in the British Library both to provide a reference copy and to make them available to the public at large. While the Web may not reach many people at present, it will certainly reach more than the British Library. And that is not all the Web can do. The Internet creates nearly as many opportunities for government as for the entrepreneurs now rushing to profit from it-if only government is quick and determined enough to grasp them.

> 'Instead of simply connecting to information, the real problem for those who are currently information have-nots will more likely be navigating to find what they need amid the babble of voices on the Net.'

Start with the obvious, then improve

It is hard to see what government as a whole might usefully do in response to the Net. The scope and speed of change are too great to grasp quickly. But there are already more opportunities for individual groups or departments than civil servants can reasonably cope with. Most provide immediate benefits. Having stated the broad principles of information sharing through a Freedom of Information Act, government can then move on to put its beliefs to work – step by step, starting with the obvious opportunities and then moving on.

Here are seven opportunities that the Internet creates for an innovative government. Any bright civil servant could probably add at least seven more.

Answer queries

Taxpayers now pay hundreds and thousands of people to sit by the phone to answer queries about taxes, safety regulations, customs, driver's licenses and so on. Many of the people waiting on the telephone for their questions to be answered are wired. Their questions could be answered more cheaply and quickly over the Internet – particularly as many of the questions are routine and could be covered by a published list of answers to frequently asked questions. Taxes are an obvious place to start. Indeed, the Dutch government already runs a popular service providing tax advice over the Internet.

Promote exports

British embassies around the world spend a lot of time and money promoting the capabilities of British firms. While the Web will never replace personal contacts, it can give even relatively small firms a way of both showing off their wares to the world and of making electronic contact with potential customers. A well-indexed Web site, or sites, could make it easy for would-be foreign buyers to find the appropriate British firm and enable them to contact the firm directly.

Support care in the community

It certainly saves money to treat sick people at home instead of in hospital, and friends and family often provide better care. A perennial problem, though, is providing support for untrained carers. Formally, hospitals need to keep a trained eye on the patient's medical condition; informally, they may also in many cases want to make sure that the care required is not overwhelming the carers. Internet technology can help greatly with both. Indeed, an increasing number of medical devices can feed readings directly into a computer and then on to the Net. Many of those in need of the support that networks can bring will not already be wired but it is likely that a hospital-administered programme to lend patients the new breed of 'network computers', useful primarily for e-mail and Web browsing, would more than pay for itself

in reduced time in hospital, improved quality of care and a reduction in unnecessary house calls by nurses and doctors.[2]

Extend the reach of schools

According to pollsters NOP, about two thirds of Britons connected to the Net say they use it for education. Yet they do so with a minimum of support from schools and universities; indeed, the group that uses the Net least for education is students. There are huge opportunities here. At the primary and secondary level, the government has already stated that computing is a core skill for the future and is spending to create a new computer skills curriculum. Yet surely the best way to teach children how to use computers is simply to use them, and little effort has so far been spent creating networked materials to teach science, history and other subjects. The possibilities are many and obvious. For example, teaching French and German could incorporate e-mail correspondence with French and German children. Some schools have already created science projects that use the Web to coordinate many schools, sometimes from different countries, in collecting and analysing data. One European project simply had students create Web sites describing the local holidays they most enjoyed.

Create a space for university and industry to cooperate

New Labour has made much of the idea of investing in skills and continuing education. Network technologies create an unprecedented opportunity to deliver new skills and ideas straight to the workplaces of people struggling to do their jobs better – or to the homes and schools of those trying to prepare themselves for new jobs. Unlike the broadcast model of the Open University, the new courses could be fully interactive and provide just as much or as little information as a student needs. By removing the artificial constraint that knowledge comes only in ten-week courses, the technology lowers the barriers to continuing education. At the same time, a world of just-in-time education would also narrow the gap between universities and industry by creating a richer and more continuous dialogue between lab and

workplace. Making the most of that dialogue is why policy makers should focus first on using networks to expand the links between existing colleges and universities and industry rather than creating a new 'University for Industry'. Not only would the new school intercept the feedback from industry, it would also risk ghettoising networked training.

Focus the actions of voluntary groups

Charities and other voluntary groups could do more to help provide services which governments cannot afford if they were better informed about the extent of social problems and if their actions were better coordinated with those of government departments. Network technologies can do both. By creating, say, a map showing what is known about where homeless people congregate in London, government can both help voluntary groups to plan their efforts and promote public awareness of and debate on such social problems.

Automate Whitehall

Paper-pushing is expensive and time-consuming. As the private sector well knows, using computers can cut costs. By enabling people to work on the same information in parallel rather than painfully passing paper from desk to desk, it can also dramatically speed the glacial pace of bureaucracy.
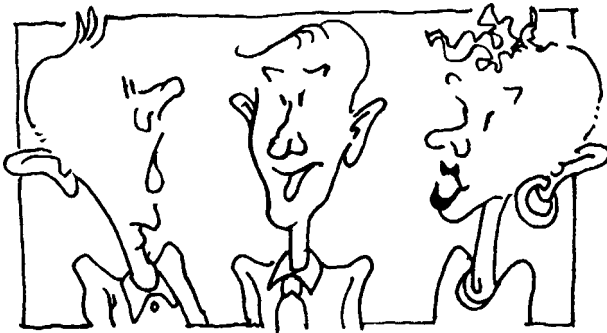
Everywhere they look, governments now have overwhelming opportunities to use networking technologies to make more widely available the information that citizens need to manage their lives intelligently.[3] There is no longer any excuse for not grasping them.

Having information is fine but understanding it is more important

For now, putting its own information on the Net is by far the greatest thing that governments could do for information have-nots. In doing so, they can kick into a higher gear the virtuous cycle of sharing information and network growth that the Internet has already created. Instead of simply connecting to information, the real problem for those who are currently information have-nots will more likely be navigating to find what they need amid the babble of voices on the Net.

Over the long term, equality of access to information is thus likely to fade as an issue of concern to government. The Internet and its successors will connect everything to everything else. But equality of understanding is a problem of exclusion that will never die. To what extent can government protect less adept and intelligent users from the consequences of their own mistakes without wrapping smart Net users in swathes of well-meaning regulation? The Internet will force governments to face this issue in a variety of new forms. Will they need, for example, to regulate the interface of Web browsers and search engines to ensure that content is fairly presented and that the prominent places do not go to those who own or pay for the systems? Will governments wish to provide their own sources of advice on, say, pensions or health care? To what extent can tomorrow's information and advice supplant today's regulations?

But those are issues for the longer term. It is too early to start talking seriously about what problems the emerging networked world will create. There is still too much basic building work to do. The sooner government gets involved in that building, the faster access to information will be spread among those currently excluded from the information revolution. And the more involved government becomes, the more intelligently it will be able to cope with the consequences of its own actions – for good and for ill. It's time to get to work.

Notes

1. Freeman, R, 1997 (forthcoming), *Democracy in the information Age* (working title), Demos, London.

2. See Cecilia Pyper's article in this *Demos Collection*.
3. See note 1.

Access denied*

Danny Kruger

It has become one of the orthodoxies of the 1990s that the information and communication technology (ICT) revolution potentially offers one way of tackling almost every social ill. The Information Society Forum's first annual report to the European Commission stated that 'information technology can empower ordinary people and their communities, putting them more in control of their working lives, allowing them a fuller exercise of their rights and an outlet for their creativity'.[1] While the optimism of the rhetoric is often overblown, new technology does indeed hold out great cause for hope in many fields. The opportunities for improving standards in education, for matching people to jobs (or matching employment policy to demographic reality) and for community regeneration in general, are all real. How far can ICT help to combat the problems of social exclusion?

Social exclusion can be defined as exclusion from access to the ladders of social improvement, being cut off from the paths of upward mobility. It involves under-education and unemployment but also encompasses the social pathologies that are generated by such structural forces: disempowerment and a feeling of alienation from wider

society. It is linked, as argued elsewhere in this *Demos Collection*, to the theme of 'network poverty', the state not only of unemployment, but also of lack of access to the informal contacts which provide the most useful paths to decent jobs. The theory holds that it is the 'weak ties' which one makes with acquaintances, friends of friends, and so on that are more useful in connecting us to job opportunities and a sense of civic participation than the 'strong ties' one has with family, close friends and neighbours. It follows, therefore, that the information and communication possibilities of the new technology could offer significant means of escape from the 'ghettos of exclusion' in which so many people live. But, for a number of reasons, things are not working out that way yet. At present, ICT threatens not only to fail in living up to its great potential as an engine of social renewal – it is also threatening to petrify social inequality, to inhibit upward mobility and to consolidate existing patterns of exclusion.[2]

There are various ways in which the revolution in information and communication technology may be harming the prospects of certain individuals and groups. Most obviously, people's long-term interests are being damaged by their non-participation in an increasingly electronic business culture, whose swift development excludes by virtue of its ever-increasing complexity. Hence, the importance of providing universal access to the key ICT infrastructure, of teaching the skills one needs to use it and of ensuring that the technology can provide information and communication possibilities which are useful to all people, not just professionals and other IT literate groups.

Evidence of ICT use shows fairly predictable patterns of inclusion and exclusion, of 'information haves' and 'information have-nots'. Typical have-nots are the old, the poor, the unskilled. These people have little understanding of the nature, the uses and the benefits of ICT and few opportunities of using it. Furthermore, assuming that they can get access to the hardware and are taught how to use to it, there remains the problem that the content of ICT makes the electronic age profoundly élitist. It is easier to access the Hong Kong Stock Exchange on the Internet than to get information on local job opportunities in the UK. A system initially designed for and by academics

still retains the characteristics of an exclusive ivory tower, despite or because of its appropriation by business. A major shift in the design of ICT applications is necessary if we want to get the British population in general 'on-line' and especially if we seek to include in this enterprise those who suffer exclusion.

Beyond the problems of access, skills and content, there are more insidious ways in which the ICT revolution is undermining the attempts of policy makers to bridge the gap between rich and poor, and confirming people in positions of exclusion. Perhaps most worrying is the development of marketing techniques based on geodemographic profiling systems. Geodemographic profiling is the process of finding and identifying 'segments' of the population based on levels of affluence, social group, residential area and previous purchases which enables companies to 'target' individuals with the marketing of products considered appropriate to that 'segment'.

In one form or another this has been common practice for over 100 years in Britain, but there is concern now that the increasing accuracy of the geodemographics industry is threatening to confirm people in the 'segments' in which they have been placed on the basis of their marketing profile. Put simply, it is argued that the wealth of private or commercial information which is available to companies enables them directly to concentrate their marketing efforts on those people considered 'good prospects', that is the better-off. Thus some low-income individuals and families are denied access not just to the hardware of ICT but to the benefits that a positive rating in a commercial information system can endow – especially, to attractive and affordable financial services. Thus, there is a fear of what the American sociologist John Goss calls the 'instrumental rationality' of geodemographics, of a system which 'displays a strategic intent to control social life, and [in which] the ideological conception of identity and social space within the model may become real – in other words, that the assumptions will be validated as the strategies take effect.' The targeting of individuals or families according to the segmentation systems of marketing software could potentially have the effect of *ex post facto* realisation: offered only products – and, more importantly, services – considered applicable

to the male, C2, west of Scotland, O-Level only, rented accommodation, thirty-something machine worker 'target group', such an individual is more likely to remain in that group and to focus his consumer power on purchasing products considered appropriate to him by the marketeer. Thus the seller, not the consumer, is setting the agenda, controlling demand as well as supply: geodemographics 'is based upon an instrumental rationality that seeks to bring the processes of consumption further under the control of the regime of production. 'Goss' conclusion, in short, is that 'we are no longer confronted with our own will.'[3]

'While the optimism of the rhetoric is often overblown, new technology does indeed hold out great cause for hope in many fields. The opportunities for improving standards in education, for matching people to jobs and for community regeneration in general, are all real.'

The problem of instrumental rationality is related to a phenomenon which has become more marked in recent decades: the polarisation of social space. People of widely varying incomes rarely live in the same areas any more (or, if they do, rarely or never come into contact in civic activities) which further limits the possibility of creating useful networks for the excluded. Not only are young people on council estates deprived of useful contacts, they are deprived of role models, examples of successful people they can look up to. Meanwhile, their affluent counterparts live in suburbs which are equally homogenous in terms of income. The result is less social cohesion and more class rivalry. 'Red-lining', an early form of 'segmentation' practised by insurers in the 1960s and 1970s, played a part in this polarisation, one of the most destructive developments in social organisation in the post-war period; there is a danger that more advanced customer research techniques will compound it.

ICT threatens to consolidate social exclusion in another, equally insidious way. The approach of the cashless society, made possible by the ICT revolution, threatens to petrify economic realities even more.[4]

It is becoming vital for an individual to have positive ratings with the companies or banks which oversee one's income and expenditure. It is estimated that around 20 per cent of the British population does not have access to individual financial packages and between 5 and 8 per cent has no financial support at all through the banking system, including current accounts.[5] The reliance on cash, or even on cheques, helps to condemn individuals to life at the bottom end of the spending scale and can help keep them there. Not only can one not make a large purchase: without access to a complex financial infrastructure one cannot pay for anything by instalments, such as a car or a personal computer, to help one break out of the poverty cycle.

The approach of electronic cash (e-cash) and electronic purses (e-purses) presents a possible scenario in which only those judged to be appropriate by banks, credit companies or the like would be in a position fully to engage in the consumer society. Those who still relied on cash would be – indeed, are already – the victim of a double discrimination. It is already the case in some countries (notably Norway) that organisations refuse to take cash payments or charge for doing so. Electronic transfer is already a common practice in Britain, where at the demand of trade unions all salaries are paid directly in to workers' bank accounts and where most bills are paid by direct debit: it might not be long before one is charged for doing otherwise. 'Unbanked' people already pay extortionate fees for cashing cheques. If this were not enough to force people to get a bank account (if they can), there is the possibility that those who persist in using cash will have to pay the costs of doing so, which are presently paid by the collective taxpayer. As argued by Dave Birch, 'the young and techno-hip will eventually tire of subsidising automated teller machines, armoured cars and night safes for their less well-off brethren.'[6] The administrative costs of e-cash will be lower than those of cash (though the Bank of England would lose its seigniorage fee on cash transactions) but it is likely that the better-off will use it at first, because it is they who will be offered the services first, and with most insistence, by the banks which provide them.

Some of these problems, including the basic lack of access and of skills, can and must be tackled head-on with initiatives for providing

Internet access for all and to encourage people to take up the opportunities opened up by new technology. Only when people start to use the Internet will it start to become useful to them: only by demanding useful information will useful information be supplied in this unregulated, arch-capitalist sector. The problems of information exclusion are largely to do with the relationship between supply and demand. In all the areas we have looked at – access, skills, content consumer choice and the cashless society – *supply* and not *demand* is setting the agenda. It is necessary to find ways to reinstate demand as the engine of change.

ICT offers great opportunities for 'people power' in trading,[7] education, employment, and community organisation. Most of all, it offers the chance to create synergies between related but separate organisations – most importantly perhaps, between educational and employment institutions – and to invigorate whole communities. But to activate these benefits and thus begin to tackle social exclusion, proactive effort is required, effort which is in keeping with the possibilities of ICT. There are more examples of failed ICT initiatives than of successful ones because people rarely realise what ICT can and cannot do. It can facilitate communication but it cannot create the environment for it out of thin air. It can open doors but it cannot compel people to pass through them who have no reason for doing so. Most of all – in education, in employment policy or in anything at all – it must be treated not as a miraculous elixir, but as a tool in a holistic strategy which involves fresh thinking about demand as well as supply and about access as well as applications of new ICTs.

The benefits of ICT are immense but so are the potential dangers. More hard-headed analysis of what we want ICT to do for us, and how we can implement a coherent and sensible strategy, is required. The unregulated, uninhibited development of ICT and its application by businesses is one of the more disturbing and yet exciting developments of our time. ICT can be harnessed to help overcome problems of social exclusion, bringing the excluded into new networks of opportunity. But it will not do so automatically. Strategies to make ICTs accessible to those currently excluded from the information revolution by low income, poor environments and low expectations can play a major part in the wider campaigns to create the inclusive society.

Notes

1. Information Society Forum, 1996, *Networks for people and their communities: making the most of the information society in the European Union*, First annual report to the EC from the Information Society Forum, June 1996.
2. The theme of network poverty is explored in 6 P, 1997, *Escaping Poverty: from safety nets to networks of opportunity*, Demos, London.
3. Goss J, 1995, 'We know who you are and we know where you live: the instrumental rationality of geodemographic systems' in *Economic Geography*, vol 71, no 2.
4. See David Birch's article in this *Demos Collection*.
5. Estimates from Kempson E, 1994, *Outside the banking system*, HMSO, London.
6. See note 4.
7. Wingham Rowan's idea, guaranteed electronic markets, promises to reinvigorate small business through on-line trading, cutting out the retail giants and empowering the consumer. See his book, *Guaranteed electronic markets*, to be published by Demos in December 1997.

Do you take cash?

Dave Birch

The rise of the 'cashless society' threatens to exclude those who cannot or will not relinquish hard currency.

The technology behind electronic money is developing rapidly, spurred on by the Internet. Some forms of electronic money have been around for more than a century – since Western Union introduced electronic funds transfer in 1871, but it is the burgeoning field of electronic cash (e-cash) that is now attracting attention.

A survey of e-cash schemes around the world quickly reveals how their technology platforms work. As a result, the technological aspects of e-cash are today less interesting than questions surrounding its significance for banks, retailers and consumers and, of course, governments: e-cash is no longer a marginal issue, as was illustrated when the subject was moved for discussion at the 1997 World Economic Forum in Davos, Switzerland.[1]

E-cash in e-purses

Systems establishing or piloting forms of electronic purse or e-purse – a smart card storing some kind of e-cash – are an increasingly frequent phenomenon across Europe. In the UK, the Mondex scheme is already

Director, Hyperion.

in operation in Swindon and on a number of university campuses. Later this year, VisaCash will go into operation in Leeds. But these e-purse schemes are small-scale compared to those going into service on the continent. In Germany, some 20 million Geld Karten are already in circulation, with 50 million projected for the end of the year. The Belgian-based e-purse, Proton, boasts a worldwide circulation of over 14 million purses.[2] The Netherlands will have several million e-purses in circulation by the end of this year and Portugal also has a wide-spread scheme. On the Internet, too, new money schemes are proliferating. Companies such as DigiCash and CyberCash have relatively few users at present but their numbers are increasing steadily.

> 'The cost of printing, distributing and safekeeping currency is significant. Most importantly in an information economy, £5 notes don't go down telephone lines. In short, cash is dying.'

The e-purse has certain advantages over 'traditional' cash. First, cash is dirty. In America, the New Jersey Turnpike recently tried to punish toll collectors for wearing latex gloves while handling cash because it gave the driving clientele a 'bad impression'. Second, cash is heavy. $1 million in $20 bills is impossible for the average human being to lift. A consequence of this is that drug dealers find their powdered merchandise easier to smuggle than its equivalent in cash. Third, cash is inequitable, requiring that the 'unbanked' pay high fees to access funds by cashing cheques. Fourth, cash is expensive. The cost of printing, distributing and safekeeping currency is significant. Most importantly in an information economy, £5 notes don't go down phone lines. In short, cash is dying.[3]

A key aspect of e-cash and e-purse technologies is that they lower the cost of entering the money business. When anyone can use smart cards and the Internet to issue their own money, there is no need for expensive clerks, armoured cars, cash machines and night safes. But should just anyone be allowed to issue cash? Some analysts think that e-cash should only be issued by banks or non-bank financial institutions

(NBFIs), while others think that e-cash should be issued by anyone. Alan Greenspan has already said:

> 'We could envisage proposals in the near future for issuers of electronic payment obligations, such as stored-value cards or digital cash, to set up specialised issuing corporations with strong balance sheets and public credit ratings. Such structures have been common in other areas, for example, in the derivatives and commercial paper markets.'[4]

Such comments stand in sharp contrast to remarks by the Bundesbank Director Edgar Meister,[5] who said that in Germany the issuing of e-cash should be restricted to commercial banks and that it has major implications for monetary stability and control.[6]

Supply and demand

When Gordon Brown gave the Bank of England qualified independence in fixing interest rates, it was widely reported as a significant event in British central banking. Earlier this year, however, the announcement of a Smart consortium, involving Shell, Commercial Union, Dixons and others, which may in the long-term turn out to be just as important, did not attract anything like as much attention. The consortium takes the Shell Smart loyalty programme, which has issued 4 million smart cards to UK consumers, into new territory According to the consortium's Chief Executive Officer, Gary Anderton, the programme will move from being a simple scheme for purchasing at petrol stations to a comprehensive, multi-retailer 'virtual currency'.

The consortium will make its money in the spread between the price at which it sells points to its members and the price at which it buys them back. Mr Anderton said, 'we act as the bank'. But the consortium is not merely acting as a bank. The situation is more interesting than that – it is acting as the central bank, maintaining control over its own money supply.

If the primary use of e-cash technologies ends up being the monetisation of new kinds of value – private currencies, in other words – governments and central banks would find it hard to define, let alone control, monetary aggregates. Even if e-cash were only used to replace national currency, governments would lose out.[7] Since cash in circulation represents non-interest bearing central bank liabilities, a substitution by e-cash would lead to a decline in the interest earned from those assets, known as 'seigniorage'.

Seigniorage was originally the profit taken from the minting of coins – usually the difference between the value of the bullion used and the face value of the coins – but it has come to mean the profits made on notes and coins in circulation and remitted to central government. The US Treasury estimates that its seigniorage amounted to $773 million in 1994. The Basle-based Bank for International Settlements (BIS) has calculated that even if e-cash only replaces low-value notes and coins, it will still cost the British government some £1.4 billion each year.[8] Funds are lost either through commercial banks issuing e-cash, thus reducing the demand for government-issued notes and coins, or through monetary substitutes reducing the demand for national currency as a whole at the retail level. These monetary substitutes include currencies like frequentflier miles[9] which Oldham NHS Trust, for example, is planning to use to pay nurses' bonuses.[10]

But how far away is a truly 'cashless society'? In the UK, notes and coins are already just a small fraction of the money supply, but the Bank of England estimates that more than 5 per cent of notes in circulation are unredeemed old issues[11] and some 1 per cent of all £50 notes are counterfeit. In some countries, the use of physical cash is still more problematic. In Norway, which has the highest number of electronic point-of-sale (ePOS) terminals per head in Europe,[12] the national

'How far away is a truly "cashless society"? In Norway, the national Consumer Affairs Board complains that some organisations are either refusing to accept cash or demanding fees to accept it.'

Consumer Affairs Board has been complaining that some organisations (including telephony, utilities, hospitals and even some city governments) are either refusing to accept cash or demanding fees to accept it (one travel agency charges almost $5 for handling a cash payment), and the policy is spreading across retail businesses.[13]

Finland, which has the highest per-capita use of automated teller machines (4.5 million ATM cards are held by a population of just 5.1 million) and cellphones, and where 60 per cent of the population accesses the Internet regularly (twice the per capita rate of the United States), will have some 500,000 electronic purse cards in circulation at the end of this year and the quantity of cash in circulation may be halved by the millennium. Finland already has one of the OECD's

lowest ratios of cash in circulation. Conducting business in paper money is a bit passé, cheques are not used at all and, at the demand of trade unions, salaries are paid directly into workers' bank accounts. Social benefits are paid by electronic transfer and so are most bills.[14]

The pressures to convert to e-cash are immense, and governments would be wise to plan for the day seigniorage revenues are no more. However, there is one obvious way in which governments can use e-cash to recoup lost seigniorage: by applying the technology to save money in the disbursement of state benefits.

Consumers and providers

Participation in the new e-cash economy will require infrastructure and knowledge, elements more readily available to the better-off than to the poor. Is it socially acceptable to envisage economic structures that lower transaction costs for e-cash users (the rich) while raising them for the e-cash disenfranchised (the poor)? Although e-cash is in its early stages, it is clear that different sections of society respond to e-cash in different ways, as shown by a comparison between Mondex in Swindon and the campus scheme at Exeter University.

The scheme in Swindon has managed to attract less than a quarter of the expected number of cardholders after several years in operation and many retailers greet the card with a blank stare. But on the Exeter University campus, Mondex has already entered the language: 'to dex' is to purchase something using e-cash, as in, 'Can you dex me a beer, please?'.[15] These young and technohip users will eventually tire of subsidising ATMs, armoured cars and night safes for their less well-off brethren. In one pilot project, a participant recently used a Nokia 9000 GSM Communicator (a mobile phone that opens up to reveal a keyboard and screen) to connect to their bank and download money on to a Mondex card. This option is doubtless more attractive to many consumers than trudging to an ATM in the rain.

If the current landscape of pilots and trials evolves into an operational environment in which the (broadly) middle classes use e-cash to shop around for the cheapest banking services (and a lot of other

things as well) on the Net, then the (broadly) working classes will find themselves having to bear the cost of the physical cash infrastructure. Everything from the distribution of notes and coins to the upkeep of ATMs will have to be paid for by a smaller and smaller proportion of the population. This would mean a potentially unacceptable increase in transaction costs for the poorer sections of society. Indeed, as Bill Melton of CyberCash has pointed out, if you are one of the millions of American employees who have to convert salary cheques to notes and coins at cheque cashing operations, your transaction costs are already high. The Consumer Federation of America found that cashing fees ranged from 1 to 6 per cent for company cheques and from 2 to 16 per cent for personal cheques (averaging over 9 per cent). Some operations also make loans to consumers on postdated personal checks to tide them over until their next payday, at interest rates equivalent to between 261 and 913 per cent each year.[16] According to the Treasury Department, some 12 million American families cannot afford to maintain regular bank accounts as a result of rising bank charges. As a result, many depend on less regulated businesses that can make short-term loans, pay utility bills, distribute welfare cheques and food stamps, sell money transfers, phone cards, stamps and lottery tickets.

Benefit

If everyone used e-cash, the transaction costs for society as a whole would be lowered simply because it's cheaper to handle than notes and coins. If state benefits could be paid by telephone, direct to the recipient's e-purse ('Your benefit account holds £27.90: press 1 to make a withdrawal or 2 to make a transfer'), the savings could run into hundreds of millions of pounds. But who is going to tell pensioners that as from, say, 1 January 2001 there will be no benefit books, notes or coins (and therefore, likely as not, no post offices either)?

How could the benefits of e-cash be extended across a society in which one in five adults has no current account and 4 million households pay all of their bills in cash?[17] The deployment is not about PCs and the Internet, which are together only one of the ways in which the

superhighway will come to the mass market. Over the next couple of years in the UK, people will be accessing the Internet using PCs, personal digital assistants (such as the Psion Organiser or Newton Message Pad) and mobile phones, cable modems and cable, digital and satellite TV. Cable companies, the British Interactive Broadcasting satellite consortium (BSkyB, BT, Midland Bank and Matsushita) and the British Digital Broadcasting terrestrial consortium (Carlton and Granada) will be competing with each other to offer interactive digital TV services to every household in the UK, requiring set-top boxes with smart card interfaces. In short, the mass use of on-line services will come not through the Internet but through TV. These TV-based systems will penetrate almost every household in the country, providing the smart card interfaces required for the e-cash economy. Will there be any reluctance to use them? I doubt it, since the UK already has a thriving TV-based on-line economy:[18] the QVC shopping channel has one million customers and 40 per cent of late-booked holidays are booked through teletext.

> 'How could the benefits of e-cash be extended across a society in which one in five adults has no current account and 4 million households pay all of their bills in cash?'

The platform is coming along nicely; without some vision to manage the transition to an e-cash world it will happen by default. People like me will use PCs and mobile phones to zip e-cash (whether Sterling, Air Miles or Sainsbury's Rewards) around getting the best possible service at the lowest possible price. But this does not translate to the mass market and may result in a two-tier society demarcated by e-cash.

What about those who can't or won't move to e-cash? There are, essentially, three options:

1. people should be allowed to continue to use notes and coins at their own expense

2. people should be allowed to continue using physical cash but at someone else's expense
3. people should not be allowed to continue to use physical cash.

While options 1 or 2 may intuitively seem to fit with people's conservative nature and while certain lobby groups (for the aged, the poor and so forth) might prefer option 2 over option 1, it may well be that taking the apparently extreme step of dumping notes and coins altogether is the only realistic option for the future.[19] This option implies some form of regulation or, at least, firm government policy to open up the benefits to society as a whole.

Managing transition

There is a clear implication here that some sort of regulation of purse issuers is on the horizon and that, perhaps, banks will become subject to some kind of universal service legislation. The idea of universal service is well-established in the telecommunications world. Indeed, last year's US Telecommunications Act expanded the concept beyond its historical context of providing a telephone in every home to cover telecommunications services (including the Internet) to schools, libraries and health care providers.

Universal service in the context of e-cash might, for example, mean that certain classes of financial institutions are obliged to provide a new form of service to everyone over sixteen, comprising an interest-bearing account and an e-purse: no statements, no cheque book, no debit card – nothing but a place to pay e-cash in and draw e-cash out. This basic account could be provided free of charge, paid for with the money saved by dispensing with most bank branches and melting down ATMs for scrap metal. Since every telephone and TV set could become a bank branch, people in depressed or remote areas would actually have better access to banking services than they do now.

Notes

1. Kobrin S, 1997, 'Electronic cash and the end of national markets' in *Foreign Policy*, no 107, 65–67.
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3. Gleick J, 1996, 'Dead as a dollar' in *New York Times Magazine*, 16 June, 26.
4. From a speech given on 19 September 1996. Available on-line from:http://www.bog.frb.fed.us/boarddocs/speeches/19 960919.htm
5. In a speech given in Frankfurt on 28 November 1996.
6. Personally, I believe that the UK will eventually adopt a position more akin to that of Greenspan.
7. Birch D, 1997, 'Money talking' in *Financial Times Virtual Finance Report*, February 1997, 5–6.
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10. 'Nurses get air miles for turning up', *The Sunday Times*, 7 August 1997.
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12. Retail Banking Research, June 1997.
13. 'Electronic money threatens old-fashioned cash in Norway', *Associated Press*, 31 October 1996.
14. Sachs S, 1997, 'Finland dumping cold cash' in *Newsday*, 28 March.
15. Fildes C, 'Dex me a beer' in *The Spectator*, vol 279, no 8819, 26.
16. 'Check out those interest rates!' in *Philadelphia Daily News*, 22 August, 1997.
17. Farbrother R, 1997, 'New players in the payments park', paper given at BRC Payments Conference, Meriden, September.
18. Glyn-Jones F, 1997. 'The e-comm revolution' in *CBI News*, July/August, 24.
19. It might be a good idea to do this as part of the transition to EMU and avoid all of the costs associated with physical transition. A window of opportunity is therefore approaching.

Running on empty

Michelle Harrison* and Tim Lang†

The reappearance in Britain of food poverty raises disturbing questions which both the public and private sectors must address.

Sweetened tea for breakfast; another cup with biscuits for lunch; chips, white bread and margarine for tea: the typical diet of a low income woman with children to feed is a sensible one. For, contrary to popular belief, 'healthy' foods *are* more expensive than those saturated with fat or coated in sugar.[1] Because calories are more cheaply obtained from the frying pan or the biscuit tin than from the salad bowl, poor women commonly cope with the demands of feeding their families by feeding themselves with nutritionally 'empty' calories, while saving the more nutritious but less economically 'efficient' foods for their children. Alternatively, they skip meals altogether.

Contemporary food poverty – the inability to acquire or consume an adequate quantity or sufficient quality of food – is not, however, just the essence of maternal sacrifice by single mothers living in poverty.[2] Over the past two decades, its spectre has reappeared in the UK to

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> 'Adequate sustenance is basic to the hierarchy of human needs. Food poverty is the most profound illustration of contemporary social polarisation in the UK.'

torment the poorest members of society across the spectrum of households: single people, two parent families and the elderly, as well as female lone parents. As yet, attempts to measure and map the real extent of food poverty are in their infancy but it is likely that it is a common experience for the 10 per cent of households who have seen their income stand still or decline in real terms since the 1980s; this group include the unemployed and the 'working poor', both in cities and in the countryside.[3] Food poverty is a single factor in the complex equation of social exclusion – a 'normalised' distress associated with long-term economic struggle.

Adequate sustenance is basic to the hierarchy of human needs and so food poverty is the most profound illustration of contemporary social polarisation in the UK. Its manifestations are wide ranging: poorly nourished people are more likely to suffer ill health; hungry children (for even the most self-sacrificing parents are unable to shield their children from such poverty) are less likely to flourish at school.

Moreover, it is also a unique tool of social exclusion, as food and mealtimes are imbued with social and cultural meaning – the fabric around which socialising and family life revolves. Within an affluent society of plenty, food poverty is obscene. Perhaps that is why its reappearance in the UK over the past two decades has been met with such fierce political denial.

The re-emergence of hunger: falling on deaf ears

In 1900, Rowntree's study of poverty in York concluded that 'the labouring classes are … seriously underfed'. Rowntree found that 9.9 per cent of his population could not afford to purchase an adequate diet;[4] for the next 40 years, grinding food poverty was to remain a constant affliction of the working class. Oral histories of the elderly today

revive memories of the children of coal miners, for instance, receiving sandwiches in the school yard from local charitable groups; or the common tales of 'bread and dripping' suppers and the general consumption of large amounts of cheap and 'empty' calories in the form of cakes and puddings. During the rationing of the war years, of course, the necessary dependence of the poor upon sugared foods – established during the industrial revolution – was alleviated. Then with the post-war introduction of the welfare state, food poverty was presumed to be no more than a collective memory of the 'bad old days' of social history.

At the end of the 1970s, however, a handful of studies on the nutritional value of the diets of low income people suggested that benefit provision was inadequate to fully meet the dietary needs of its recipients.[5] Moreover, in 1980, the Black Report, *Inequalities in health*, drew attention to under-nutrition among young people and called for an extension in school meals.[6] But just as attention was beginning to be focused on the need for targeted social policy, the Conservatives gained power and became locked in bitter dispute with researchers and campaigners – not only about the moral responsibility for one's own diet, but about the actual existence of food poverty in modern Britain.[7] And as the battle raged, the welfare state was eroded. The well-documented 'benefits tragedy' of that era needs no further illustration here, but the targeted removal of direct food-related benefits from the vulnerable deserves some mention. The 1980 Education Act abolished nutrition standards for school meals, and the 1986 Social Security Act drastically cut the eligibility for their free consumption. In 1987, Statutory Maternity Pay and Allowance was replaced by flat rate repayment from the Social Fund. The following year, the Local Government Act introduced compulsory competitive tendering for school meals and, in 1988, Social Funds replaced single payment grants schemes for cookers and fridges.

In a study in the north of England in 1984, a quarter of unemployed people stated that they did not have enough money for food all week.[8] In 1991, the National Children's Home found that not one of the 354 low income families surveyed was eating a diet which met current nutritional guidelines.[9] Similar recent studies have pointed to the food

poverty experienced by low income groups in Britain – not, perhaps, Rowntree style, but a picture of trading down in food quality and routine meal-skipping.[10] Clearly for some, the loss of basic cooking skills (not put on the core curriculum) is an issue, but the evidence indicates that the poor are fully aware of the inadequacies of their diets. Poor nutrition is the result of social exclusion rather than ignorance.

Moreover, as Edwina Currie encouraged the poor to take heed of her 1980s campaign to 'Look After Yourself', it was becoming increasingly clear to social policy researchers that it was not only the debasing

of the welfare state that was undermining their ability to actually do so. For, in a radical departure from the food poverty of earlier times, it was obvious that the exclusion brought about by poverty was being actively reinforced by the workings of the food economy itself. The transformation of the nature of food retailing during the 1980s had led to a profound change in its physical geography, with dire consequences for the minority excluded from the era's consumer boom.

A revolution in retailing (but the poor lack purchasing power)

Over the past two decades, retailing in Britain has been transformed by a progressive concentration of capital which has created an industry dominated by large multioutlet firms. Although small firms were still numerically dominant in the early 1980s and although accounted for the greater proportion of retail outlets, their share of total national retail sales had fallen sharply as the larger firms had progressively tightened their grip on the market.[11] In grocery retailing this trend has been particularly clear, and by the close of the 1980s just five major retailers controlled 60 per cent of the UK food market.

Meanwhile, the number of individual food retail outlets actually decreased by a third, as the rise of the 'super-stores' signalled the decline of small grocery retailers and specialist shops such as butchers and greengrocers. This sector is now responsible for only 10 per cent of UK food retail sales. The local impact of this national restructuring is familiar to us all: in towns and cities, a tiered system of food retail has been created, where the superstores located out of town on 'greenfield' sites or on the edge of town contrast with the denuded High Street and suburban sector. In rural areas, independent village shops and small supermarkets have also disappeared in the face of competition from distant superstores attracting the car-borne shopper.

Arguably, British corporate retailers benefited more than any other sector from the free market economy of the 1980s and 1990s – indeed, during the Thatcher years they became the most profitable retail sector in Europe. But most importantly, they became central players in

offering the benefits associated with the Conservative project – with customer-led strategies based upon the huge expansion of consumer choice, better service and improved quality. For many consumers, the cornucopia of the supermarket and the ritual of the shopping trip have become key sources of satisfaction, security and confidence in a rapidly changing world, where individuality and self-expression have become intimately associated with personal consumption.[12] But, in keeping with the temper of the times, this benefit to the majority had the flip-side of increasing the exclusion of the poor – not just in a monetary sense but also in a spatial one.

Clearly, 'out of town' and 'edge of town' superstores are more accessible for those who have a car than for those who have not; 84 per cent of the poorest tenth of households are without one. The corporate retailers are interested in attracting the 'As, Bs and Cs' through their doors, given that the bottom 30 per cent of the population account for just 12 per cent of consumer spending.[13] The problem for disadvantaged consumers, therefore, is not simply that retailers have built out-of-town stores, but that at the same time they have often closed their more easily accessible branches in town centres. (Moreover, as the poor have been left to rely increasingly on local shopping facilities, the traditional neighbourhood shops have themselves disappeared.) In the inner cities, on low income housing estates and in rural parishes (of which only about 60 per cent have a shop, and where the deregulation of public transport has left the poor increasingly isolated), a process of food desertification has taken place. As Leather writes, for these people, the deterioration of high street and neighbourhood shopping facilities has been the 'food equivalent of disconnecting the water supply'. (The corporate retailers' limited return to the high street since 1993 – in the form of the Tesco Metro stores, for instance – is welcome but as yet it has not provided an adequate response to the 'deserts' that their restructuring programmes have created. Also, these smaller stores have not yet been sited in low income neighbourhoods.)

Related to the problem of physical access is evidence that the poor actually have to pay more for their food. Research since the early 1980s has shown that multiple stores offer significantly cheaper food prices

than independent stores;[14] moreover, the local supermarkets that used to be located in neighbourhood parades were price competitive and their loss has had a serious effect for local communities in this sense. Piachaud and Webb showed in their recent study of the cost of food in different retail outlets that food in small, independent local shops is more expensive than the food sold in supermarkets – indeed, they found that comparable cheapest foods in the latter *cost 60 per cent less* than the cheapest foods in the former.[15] In other words, the food that is closest at hand and most easily physically accessed by the poor is more expensive than that bought by the rich. And obviously, if poor households wish to travel to larger, cheaper shops, then they incur the added costs of bus, train or taxi fares. The movement into the UK of European 'deep discounters' (such as Netto) has not provided a market-led solution to this problem. Although they are of help to those shoppers who can reach them, these stores often choose to locate themselves near corporate retailers on the edge or out of town. Moreover, they tend to sell only a very limited number of product lines, and often do not stock fresh foods.

> '"Out of town" and "edge of town" superstores are more accessible for those who have a car. The problem for disadvantaged consumers is not simply that retailers have built out of town stores, but that at the same time they have often closed their more easily accessible branches in town centres.'

Finally, at the same time as emphasis has been placed on 'healthy' food choices, the poor have also been limited by the quality of the range of food stuffs to which they can get access. 'Healthy' foods (such as brown bread, in preference to white bread) are not only, as noted, more expensive; they are not likely to be available at all in local independent shops in deprived areas. A third of Kwik Save stores, for instance, do not sell any fresh fruit or vegetables – and other discounters, such as Netto, some-times only sell fresh fruit in large pre-packed

bags rather than loose.[16] Ethnic minorities may have particular difficulties sourcing favoured or familiar foodstuffs at affordable prices. For Leather, the inability of the poor to consume a diet of adequate *quality*, in a nutritional sense, is a more serious aspect of contemporary food poverty than the problem of *quantity*.

> 'The poor have been limited by the quality of the range of food stuffs to which they can get access. "Healthy" foods are not only more expensive; they are not likely to be available at all in local independent shops in deprived areas. A third of Kwik Save stores do not sell any fresh fruit or vegetables.'

The revolution in the food economy over the last two decades has served, then, further to marginalise the poor. As the majority of us have enjoyed access to an unprecedented range of gastronomic pleasures, the socially excluded have experienced a genuine physical isolation from the food economy. Moreover, the impact of this is self-evident in the widening health divide.[17] The problem of food poverty illustrates well the connections between the public sector, the private sector and community in the creation of social exclusion; it is clear that any serious attempt to tackle it must encompass the efforts of all three.

Addressing food poverty: a voluntary response

In 1992, the Conservative Government signalled a change of policy of sorts. Having for the previous decade entirely denied the poverty-ill health connection, in the 1992 *Health of the nation* White Paper,[18] it tacitly acknowledged it. Social class was not mentioned but 'variations in health' were. Moreover, the medical evidence presented showed that the health gap between the rich and the poor had begun to widen from the mid 1980s, and this led the Department of Health – with its emphasis on 'coping strategies' – to fund the voluntary sector to support a network of food poverty projects. In 1996 the Low Income Project Team, part of the Nutrition Task Force established in the wake

of the *Health of the nation*, were also allowed to publicly acknowledge the problem of poverty-related ill health.[19] Again, 'money' was a dirty word – but the impact of the retailing revolution upon the poor was finally officially documented by government.

Across the country, local authorities, health trusts, churches and community groups are running schemes to provide the poorest members of society with access to an adequate diet; groups are opening shops, cafes, transport schemes and local exchange and trading schemes. At the end of the twentieth century, the voluntary activities of the socially committed have replaced the welfare state in attempting to prevent malnutrition and hunger in this country. Food poverty was a tragedy of the nineteenth century; its reappearance in a country of affluence is a damning indictment of recent social history. The new policy agenda must then ensure that such a form of exclusion has no place in the twenty first century. Public and private sector acceptance of the problem is the first step towards its cure. This is a challenge for the new government which an increasingly well-organised alliance of the voluntary sector and researchers, not to mention the socially excluded, are determined to see addressed.

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Nurturing networks

G Clare Wenger

> Social networks developed throughout life become support
> networks in old age. But of five network types identified,
> each has different risks.

Older people's social networks represent the further development of
networks they had earlier in life. But in the years after retirement, the
roles of social networks become increasingly important in providing
access to support in the face of escalating losses and growing frailty.

A critical factor determining most social networks is the family into
which one is born. The numbers of one's brothers and sisters, aunts
and uncles, great-aunts and great-uncles, cousins, nephews and nieces
are determined by forces beyond the control of the individual. The
family structure of the only child of an only child is distinctively dif-
ferent from that of someone with brothers, sisters, aunts, uncles and
cousins. Individuals' chances of marriage also vary and marriage in
any case does not guarantee parenthood. An only child of an only
child who does not marry may face old age with no relatives at all.
Some people are therefore limited in the social networks available to
them in terms of family ties.

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Geographical mobility also has a great impact on the social networks individuals may form and people may be disadvantaged by their own mobility or the mobility of others. Individuals may move away from family or from friends and neighbours whose presence in the network may compensate for an absence of family. Even if one remains in the same place, others may move away. But overall, the combination of family structure and mobility determines to a large extent the membership of a social network. And because different types of relationships are associated with different cultural norms of expectations and responsibilities, family structure and mobility combine to determine the particular configuration of expectations and responsibilities which surround the individual.

However, what is critical as one gets older is the *support* network rather than the *social* network. The support network can be characterised as that core of the larger social network whose members are available – or perceived to be available – to provide emotional support and companionship, instrumental help, advice and information as needed on a day-to-day basis. Most members of a support network tend to be nearby but it can include members further afield, primarily contacted by telephone calls, letters or occasional visits.

The Bangor Longitudinal Study of Ageing (BLSA), started in 1979, analyses the support networks of older people and how they function, adapt and change over time.[1] The study has identified five different types of support network on the basis of the availability of and levels of contact with family, friends and neighbours, and involvement in community groups.

The five different types of support network found can be seen as adaptations to or outcomes of different life chances in terms of family extent and structure, different life experiences and, to a more limited extent, different personalities. But the different support networks have also been found to relate to demographic variables – measures such as social isolation, loneliness, morale and use of formal services – and to be a significant means of predicting levels of risk and likely support available to individuals. Each network type is named to reflect the nature of the older person's relationship to their support network:

The locally integrated support network is associated with the fewest risks. Its membership consists primarily of neighbours (many of whom are defined as friends), family and friends living within a one mile radius of the individual concerned. This is the most common network type in the population. The locally integrated support network is characterised by high levels of informal support and community involvement and a general ethos of reciprocity, and is usually associated with long-term residence. Older people with such a network tend to be in good health and to have high morale and low levels of social isolation, loneliness and depression.

But individuals in a locally integrated support network are at risk of high levels of mental or physical impairment. For instance, neighbour stress can occur where an old person lives alone and in poor health, even where there are involved family members elsewhere in the community. Such an older person can have difficulty accepting reduced autonomy and a declining ability to reciprocate. Loneliness can occur, too, particularly following a bereavement in the absence of emotional closeness.

The local family dependent network supports the most highly dependent people who remain in the community. It comprises almost entirely of local family members with some contact with neighbours. This type of network is typically associated with residence in the same household as or very near to (across the road or next door) a close family member, usually an adult child or sister. The old person is usually over 75 years of age, in poor health, and frequently feels a burden and worries about the consequences for their caregiver. Older people in these networks can be affected by low morale, depression or loneliness.

The family at the centre of a local family dependent network usually tries to manage without help and so often does not receive the professional help or advice it needs. Family and carer stress is common in such networks and carers can become more socially isolated as time goes on. Incontinence and dementia are most common among the elderly in this type of network. Residential solutions are likely to be resisted by the family, even when the primary carer might regard such a step as appropriate, because of feelings of guilt. However, inadequate

care can occur in such networks, particularly where there is a history of dysfunctional relationships, sub-normal intelligence, poor communication skills, lack of knowledge or financial stress.

The wider-community focused network typically represents an adaptation to geographical mobility or the absence of proximate kin. Risks in this network tend to be associated with an older member's emphasis on maintaining independence. The wider-community focused network is a predominantly middle class phenomenon, with net-work membership primarily comprising of friends living within a five mile radius and some neighbours and relatives living more than 50 miles away. This network is associated with moving during adulthood, high levels of participation in community and voluntary groups, and an emphasis on self-sufficiency. It is characterised by short-term reciprocity between friends and neighbours.

Old people within a wider-community focused network tend to receive high levels of emotional support at low levels of dependency. But friends tend to withdraw support in the face of dementia or incontinence unless there is a caring spouse, in which case friendly support is likely to continue. Old people in this network are most likely to have telephones and to rely on them as a source of communication. This network type is typically associated with good health, high morale and low levels of isolation and depression but loneliness may occur in the face of ill-health, reduced mobility, loss of friends and reduced social participation.

Because of the importance elderly members of this type of network attach to independence, paid services are likely to be preferred to informal help. Distant family members tend to rally round in emergencies but cannot stay for long, and help from neighbours is typically resisted in the face of the inability to reciprocate. People outside the household may be given an impression of competence and independence which is in reality fragile. Because of the preference for privately contracted and paid help, old people with this type of network are vulnerable to fraud and exploitation.

The local self-contained network is associated with long-term residence and the adoption of a household focused lifestyle. Risks to old people

in this network stem mainly from a concern for privacy, as they tend to rely primarily on neighbours at arms-length, supplemented by kin living more than five miles away, and to opt out of reciprocity relations. Community participation, if any, tends to be low key and infrequent. A high proportion of people with this network type are women who are childless or never married. Some have been carers for parents in the past.

However, the neighbourhood tends to be perceived as benign and neighbours as potentially helpful. Neighbours tend to hold a watching brief and to intervene in emergencies or help with long interval needs. Unreported, undiagnosed or denied health problems and associated low morale are not uncommon, nor are high levels of social isolation and depression. But loneliness seems to be well tolerated. Falls and other emergencies are likely not to be discovered for some time. Informal help within the household is resisted and there is a reluctance to ask for or accept formal interventions.

The private restricted support network is associated with those old people in the community who are most at risk. While this network type is a minority, it is the most common on social work caseloads. The predominant membership of the network are relatives who live more than 50 miles away, to whom an exaggerated tie may be attributed by the old person. Typically, there is no local source of informal help, little contact at all with neighbours and no involvement in community groups.

The private restricted support network type is sometimes associated with a history of mental illness or a 'loner' lifestyle. This type includes self-sufficient, independent couples and elderly people who have out-lived local friends and other social contacts and who opt out of reciprocal exchanges. Where the old person lives alone or is caring for a terminally ill spouse, the network is associated with poor health, low morale and high loneliness, isolation and depression.

Those with this network type are subject to all the same risks as those in a local self-contained support network. Social isolation can become extreme, with spouse carers often isolated and unsupported. Mental illness is often associated with this network type and a refusal to answer the door is often diagnostic. If there is a history of a 'loner'

lifestyle the old people make poor adaptations to residential care, which can trigger manifestations of serious mental illness not previously diagnosed or obvious.

Clearly, while some older people have support networks characterised by integration and available companionship and help, others may be without any source of informal support and are excluded from any functioning local network. (Although, notably, no one in the Bangor study was found to be without a single contact whom they felt to be significant and a potential source of help.)

According to population studies conducted so far, the most robust locally integrated network is the most common and over 50 per cent of older people have either locally integrated or local family dependent support networks. However, the distribution of support networks varies according to the stability of population groups. Where a community's population is stable, higher proportions of older people have locally integrated or family dependent networks. But where there is a higher population turnover, such as in the inner city, middle class neighbourhoods or retirement areas, higher proportions of older people have wider-community focused or private restricted networks. In the latter case, demands on formal services are higher.

However, a given network may change type over time. The BLSA found that over a sixteen year period a high proportion of networks changed to a different type.[2] The vast majority of shifts were from a robust to a more dependent network and were associated with older people's poor health, increasing frailty, bereavement or moving house.

In terms of social policy, it is important to recognise the variety in older people's adaptations and lifestyles, as reflected in their network type. Different networks have different needs and respond differently to the same type of problem. However, whatever, their type of support network, older people seek to maintain their established routine and lifestyle.

Older people want to be in as much control of their lives as they can in the context of their disabilities. Policy interventions to maximise older people's independence and choice therefore need to support what already exists. The goal must be to reinforce rather than undermine the strengths of the existing network and the older person at its core.

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Welfare-to-network

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Welfare-to-work is not as simple as a training programme or work experience. Research in Philadelphia shows that social networks and social capital play a critical role in helping the disadvantaged find long-term employment.

Welfare reform in the United States swings between developing human capital – investing in basic education and vocational training – and finding work for those receiving government aid. Proponents of human capital development assume that welfare recipients lack skills which will make them marketable.[1] But the record of training programmes for the poor leading to permanent employment is dismal.[2] In addition, the majority of the population on public assistance already has training. Two separate studies of public assistance recipients in Philadelphia conducted between 1992 and 1996 found that over half of the study participants had completed high school and between 60 and 83 per cent had attended at least one skills training programme.[3]

Work experience alone does not help individuals avoid welfare either. Over 90 per cent of the study participants in this research had work experience and the majority had worked most of their adult

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lives. They found themselves on public assistance because of changes in the economy or in personal situations which kept them from working or because they had recently migrated to Philadelphia. Other research also shows that work experience policies do little to move people from welfare-to-work.[4]

> 'Policies which stress only work or training fail because they ignore an important third ingredient which makes the difference between stable employment and poverty: social capital'

Policies which stress only work or training fail because they ignore an important third ingredient which makes the difference between stable employment and poverty: social capital. Social capital generally refers to the web of relationships with people who can help an individual find appropriate training and employment. The old adage 'it is not what you know, but who you know' remains true for job seekers today. Research on the adjustment of Eastern European refugees to the United States who had either a university level education or significant blue collar skills found that those who gained contacts with someone from their community who worked in their field rapidly regained previous status, while those lacking social networks ended up in low wage jobs regardless of retraining in the United States.[5]

The studies of welfare recipients referred to above showed that social networks provide a key source of employment for United States-born workers as well. Sixty five percent of the population found work through friends and family as opposed to training providers (17 per cent), the newspaper (27 per cent) or 'walking in' (38 per cent). But primary social networks like family and friends failed to keep these people employed. Jobs found through training providers also led back to unemployment. The quality of social networks mattered as much as the availability of someone to refer the person to work.

However, substituting social networks for training or work experience is no solution to unemployment. People without a high school

diploma could not find well paying jobs, regardless of their vocational training. Training led to solid careers for a number of study participants, and work experience also mattered. But the people who made the most out of training either had related work experience before they went to school or strong social networks of family and friends which helped them find work.

Developing policies which effectively move people from public assistance to permanent work involves providing a mix of work experience, training and appropriate social capital support. However, simply providing each ingredient is not enough. Appropriate workforce development policy must be tailored to the local level. Any policy which works must pay attention to variations within the population it targets. It must also understand the role of training providers and social networks in the employment process for different populations. This essay discusses these factors with reference to the Philadelphia research.

Social networks and social capital

Social capital is generally defined as those relationships which provide people with a sense of trust and community. In its most instrumental sense, social capital provides individuals with access to people who can provide material goods, social supports such as childcare, emotional support and information on jobs and training programmes. People without these kinds of social resources lack the necessary means to find jobs and training. For example, the study included a group of people with limited work experience, many of whom came from segregated African-American or Latino neighbourhoods. Some of these people had no one to help them locate training or jobs. Many found training programmes through advertisements on the television or public transportation. These programmes were often low quality, for-profit trade schools which left their participants with student loan debts of over $2,000 and no job prospects. For the more socially isolated proportion of this population who did find work, many 'walked in' to their employer. Jobs found through walking in tended to be part-time, low wage and with poor working conditions. Individuals seldom

stayed long in such jobs, either because the jobs were part-time, the business closed or because of problems finding childcare. Limited social networks mean that people lack both appropriate information on job or training prospects and the social resources to maintain employment when they can find it.

Only 23 per cent of the people in the social network study had limited or no work experience. The remainder fell into three categories: low wage workers, displaced workers and immigrants and refugees. Each of these groups had strong social networks. But having friends and family to help find training and work does not on its own lead to a successful career and these social networks ultimately failed for different reasons for each group. A careful look at the kinds of social networks available to each group shows a relationship between social networks and social capital, such that social capital which leads to permanent employment involves much more than having people or agencies available who can provide referrals to jobs.

Over half of the study population consisted of low wage workers who alternated between work and welfare. This group found employment in jobs such as restaurant work, retail sales, factory work or nursing assistant, which paid less than $6.00 an hour, were often part time and seldom provided health insurance. People leave these kinds of jobs quickly: between 40 per cent and 68 per cent of study participants in various kinds of low wage jobs left them in less than six months. Few stayed for more than two years.

Like the people with limited work experience, some people in the group of low wage workers found training through advertisements

or the Department of Public Welfare. A significant number also found training through friends and family. The kind of training they undertook depended on whether or not they had a high school diploma or its equivalent: those without such credentials went on to training in food service or as a nursing assistant – fields with ready employment but poor wages and working conditions. Others went in to clerical training but often could not put the training to use. Seventy per cent of survey participants from service sector jobs returned to the same kind of work after completing a training programme. Jobs were primarily found through friends and family, training agencies and newspapers.

Low wage workers lack the kind of social capital which leads to strong career development and permanent employment. Part of the problem lies in the social isolation of segregated neighbourhoods in the United States. As William Julius Wilson describes, US civil rights policy created opportunities for working class and middle class people of colour, who then left the inner cities. The remaining population lacks social networks of employed people and appropriate role models for work behaviour.[6] The Philadelphia research echoed Wilson's findings. Friends and family who have not attended a training programme themselves often give bad advice on the kinds of training which will lead to good employment and people working in low wage, service sector jobs can only refer friends and family to similar work.

Social networks played a different role for displaced workers. Displaced workers held steady jobs which paid well and offered full benefits before they were laid off by their employers' closing down or moving. This group comprised two sub-groups. The first included working class men who worked in factories or skilled trades and who found work through friends and family employed in similar work. Some found jobs after completing union apprenticeship programmes which they entered through social network referrals. But when large employers closed, whole neighbourhoods were put out of work. Since few people in their networks had jobs and they lacked the advanced training to find work that paid as well as previous unionised employment, members of this group ended up on public assistance.

The second sub-group of displaced workers included people of colour who were the first generation in their families to finish advanced education. Education and training for this group ranged from quality clerical training to graduate-level university degrees. This group initially found employment through friends and family, referrals from their school or affirmative action recruitment. In this case, the social capital of the training provider made a significant difference in starting their careers. However, when companies closed or downsized, these displaced workers found they lacked the social networks to find jobs again.

The experience of one survey participant, James, indicates important potential limits to social networks. An African-American man recruited for an engineering job through an affirmative action programme over twenty years ago, James found that although his work was admired he was not included in the social functions of his white colleagues. When he was laid off, he lacked social networks of colleagues to help him find a new job. Since his family members were all working class, they were no help either. For this group of displaced workers, initial social capital did not lead to long-term network ties.

> 'Limited social networks mean that people lack both appropriate information on job or training prospects and the social resources to maintain employment when they find it.'

Immigrants and refugees rely most heavily on members of their community to find work and training. As in the case of the Eastern Europeans discussed earlier, immigrant communities with middle class, established members provide important resources to newcomers. Immigrant communities lacking these resources can only refer their members to low wage, precarious work.

Social capital and social skills

Social capital includes much more than knowing people who can give good advice. The experience of low wage and displaced workers illustrates this aspect of social capital. A student in a welfare-to-work

training programme highlights the problems for low wage workers. Dominique was a young woman enrolled in a community college clerical programme and an internship. She was eager to succeed and possessed good 'work habits', such as reporting to work on time and trying to complete all the tasks assigned to her. She dreamed of an entry level job as a receptionist in a city office.

It was clear from the start that Dominique would not find the kind of job that she wanted. She defined appropriate work dress as bright, tight-fitting polyester outfits and large jangley jewellery. Her ability to complete clerical tasks was stymied by the fact that she spoke and wrote 'Black' English.

Even with help writing her CV and preparing for interviews, Dominique failed to find employment in a central city firm. Her eagerness to do a good job did not make up for her inability to fit into conservative Philadelphia's office culture. When course supervisors suggested that she needed to dress more like others in her office or learn a different dialect, she became frustrated and dropped out of the programme.

Dominique's experience illustrates that social capital involves much more than knowing the right people. The 'soft' skills of dress and language are learned through long experience of people with similar habits. These social skills become an ancillary part of the definition of social capital. In order to take criticism on these issues, regardless of how sensitively the counsellor makes suggestions for change, the listener needs to trust the person giving the advice. For many African-Americans from the inner city, the kind of dress and language appropriate for an office is defined as 'acting white'. Even though the counsellor was also African-American, Dominique could not get past the fact that she was being asked to mimic a culture that she considered oppressive. Dominique and the counsellor lacked the trust to get beyond this dilemma. While the primary power issue in this case was race, Willis has illustrated that working class counterculture in the UK often leads to a similar inability to use education effectively.[7]

Employers report they will not accept potential employees like Dominique regardless of their connections to the training institution.

This illustrates that the 'weak ties' between training providers and potential employers are insufficient to persuade employers over their evaluation of candidates. Social capital involves both relationships among people and institutions, and trust that the people involved share the same general behaviour patterns. In order for social policy to succeed, it must pay attention to both factors.

Displaced workers' experience in a welfare-to-work programme shows the other side of this aspect of social capital. Some displaced workers engaged in a work experience programme were given internships in non-profit agencies which recognised volunteers' skills, similar cultural values and good work habits and hired them when openings occurred. Other displaced workers were referred to job openings by their non-profit agency host. In this case, the ability to fit into the workplace meant that displaced workers were automatically included in the social networks of people employed by those organisations.

Training providers and social capital

Education has often provided social capital through connections to employers who recognised the quality of the education, either because they knew the reputation of the school or because they had personal connections to graduates of that school who spoke highly of the trainees. This was true of the union apprentice programmes and clerical programmes, as well as of colleges. These schools and the employers which hired their graduates often shared similar networks. Training schools were able to find jobs for their graduates because their programmes were based on an understanding of appropriate training developed through network associations with employers. The close social networks among employers and training providers meant that training providers knew of potential job openings and employers would turn to these schools when looking for new employees. This system remains in place today for both the middle class and for people from more limited backgrounds with appropriate school or agency referrals.

Low income people entering education and training programmes also expect that educational credentials will open doors to labour markets which are generally accessed through school-based connections.

Equating educational credentials with social capital, they think that graduating from a skills programme will automatically lead to a good job.

However, the education and training provider community in the United States today is much more diverse than the elite system of the past. It includes community colleges, trade schools and non-profit providers which vary greatly in terms of quality and ability to place their graduates with employment in the 'mainstream' labour market. People without social networks familiar with training providers have no outside means to evaluate the quality of schools. They often make poor training choices which do not lead to jobs.

Job placement rates alone do not indicate a programme's quality. Profit making and non-profit training providers each exist within their own set of social networks which provide different resources. As Dominique's story illustrates, mainstream programmes with quality reputations and good ties to employer networks can not always bridge the crisis of trust with either their programme participants or their employer networks to place some graduates.

Other programmes were developed by agencies within segregated immigrant or African-American communities. These agencies often employed people from their community who had limited social ties to wider employer networks. While these organisations were often much better equipped to work with someone like Dominique, their ability to find jobs for graduates was limited by the social capital of that community. These agencies often lacked the social networks to reach into the larger networks of employers.

Lessons for policy

This research suggests that policy should involve a triage approach which mixes education, work experience and social network enhancement as appropriate for the local situation. For displaced workers and skilled immigrants or refugees, connecting people with mentors working in their fields is often enough to return them to stable employment. Others need work experience combined with mentoring in order to put previous education to good use. The mentor relationships

need to pay attention to building levels of trust between trainee and mentor and fostering social skills.

For the population in need of training, programmes should be redesigned to include both social capital development and work experience. Expanding social networks involves enhancing both training programme ties to employers' and trainees' individual networks. This involves calling for active partnerships between training programmes and employers. For agencies based in isolated communities, programmes should be partnered with more mainstream agencies in order to gain the benefits offered by the shared trainee-agency culture of the community-based organisations, while helping programme participants bridge the gap into the wider labour market. Training programmes should recruit mentors for trainees and place them in internships in order to foster workplace networks. However, training programmes need to closely monitor these experiences in order to ensure positive outcomes. Regulations must offer programmes of varying length for people with different needs. Through such a mixed approach, workforce development can evolve from being a system which rarely succeeds to one which fosters entry into long-term employment.

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Hard edges

Helen Perry

Statistics and theories give us just one perspective on the excluded. Here, heroin addicts tell the stories of the significant ties in their lives.

Heroin addicts are perhaps the archetypal socially excluded. Usually unemployed and perceived as indulging a taste for a 'dirty' drug, users are aware of the uniformity of their popular image as isolated, desensitised individuals with little contribution to make to society. However, explored through their own words, young heroin users frequently show themselves to be more networked than their stereotype permits, although their stories are far from rosy.

Policy makers could well evaluate any approach to combating social exclusion according to the impact it might have on comparable stories to be told in five years' time.

Chris

Chris, from Leeds, is 21. His mother has remarried and he has two sisters. 'I'm a driver/mechanic by trade. I used to make £300 a week but I was made redundant just before Christmas – 12 December. It was a big loss.' Now, Chris is unemployed.

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'I left school at sixteen and briefly went to mechanics college. Then I went back to a garage. I really enjoyed it, except because it was college I had to do English and Science. I thought, 'I've left school, I don't want this'. I like getting my hands mucky, messing about with engines.

'I live with my girlfriend, Dawn, and our two year-old daughter. She's got a son who's 37. We've been together for five years this year and we've got a new house. We're staying at my girlfriend's mum's opposite while we're decorating, using an insurance policy for my twenty first birthday that my grandma took out.

'Where I used to live, my best friends burgled us because I didn't let them bring stolen gear or drugs into my house. They bragged about it. They went in the wardrobe – I don't have to say what they did there. Down in the cellar there were Yorkshire flagstones. They took those and sold them – those guys stripped it bare – the copper piping, even the kitchen sink. The police know it's them, but you know what the law's like now. They'll get out. They do every time. They arrest them, then release them. It's the same story every time. I have no record; they have one as long as your arm. I never, ever had anything to do with anything illegal. The only thing I do is take drugs.

'I first drank alcohol when I was fifteen and drank a litre of cider. That put me off. I don't drink now, except on my eighteenth when my uncle got me legless. It was horrible, I never want to do that again. I tried speed when I was seventeen – I hate it – and I used crack from eighteen to 21.

'Heroin, I was seventeen. I started off smoking it, and started injecting it two months ago. My girlfriend's oldest boy's father injects. People get greedy and devious and want your share: he thought if he made it all on the spoon [to inject it], I'd say, 'Have it all'. But I wouldn't, so I had it, too, and liked it, and I haven't stopped since. But I've been clean [of heroin] for four days now, that's why I've got this cold.

'My friends are all addicted. They burgled me and I couldn't give a monkey's if they dropped dead tomorrow. I hold a grudge for a long time. It's very rare I let someone back if they've wronged me.

'But I trust my family a lot – all of them except my dad. I wouldn't trust him as far as I could throw him. He's not my real dad and he

knocked me about when I was a child. But that's all past now because we're partners in the business.

'We've been together since I was four years old. It took me about two years to call him "dad". Now I call him his nickname – Tommy. He likes me to use it outside, when we're working. But in the house I call him dad. I think it's a form of trying to break off the father–son relationship while we're working because he knows otherwise we can't work together.

'He was too strict when he was bringing us up, but it's understandable. Every time he chastised me, he was thinking of what his father did which was worse. He knocked the hell out of me but really didn't mean it. He never does now, and never to my sisters. I wouldn't say he's done it to me more than five times, and once because I climbed out of the attic window and ran on the roof.

'I respect my family a lot. If anyone hurts them, they're hurting me. It's the way I was brought up. It's a close family – like the Waltons, except we don't say 'Goodnight, John-boy'.

'I trust teachers a bit. At the time, I had a big problem with them. I didn't like them. But now I really know where they're coming from. I'd like to have listened more in physics lessons. I found it interesting, but I was more bothered about my mates. I sat in the back of the class fighting, flicking paper. But I didn't trust one teacher because he hit me. He was big, with a weight problem. He was sumo-wrestler size – he'd had a car accident. He hit me and sent me hurtling across the room. I got him done.

'I trust women teachers. I can't talk to a man. It's always got to be a woman doctor. I'm scared of [men] saying I'm soppy. If it weren't for my mum, I wouldn't get medication. She went to the doctor and told him for me about being addicted to heroin. I hadn't got the nerve I'd be so embarrassed – "I'm Chris, I am a drug addict" – so embarrassed. People have to know before I can talk about it. Then I can talk all day long. It's that initial stepmum did it.

'I'm really close to my mother. I could tell her anything. She's an ex-addict herself, from before I was born. She was angry [when she found out about my habit] and blamed herself.

'I think [using drugs] is to do with background – if you're beaten as a child, a relative dies, you have a form of depression or you're pressured

into it by your mates. People who stay on it, it's due to the physical side. They're addicted. No one does it to see what it's like. They do it to feel good.'

Flora

Flora is seventeen and recently moved to the Leeds area, where she lives with her mother, brother (eleven) and sister (three).

Flora left school at fifteen and would like to be a manageress or work as a clothes shop assistant. 'I get on with people and it's something I always wanted to do. I was a junior at [a supermarket], but it was temporary and I gave it up because the money wasn't good and it was part-time.

'I started drinking alcohol when I was fourteen. But because of the heroin I can't afford it now. I started heroin when I was sixteen, through friends. My best friend got me on it. I think that's how most people start – me, anyway. My mum let me stay in the house alone over there while she sorted out the house here. My friend came over and asked me for foil. I tried it and I liked it. Then she got me on needles. Mum would kill me and want nothing to do with me if she knew. When I wake up hurting, and yell at her to fuck off, I feel bad, but I can't tell her. I don't really feel the need to talk to anyone, but it's really hard not to tell my mum.

'One friend at home is very straight, doesn't drink. She was very upset and very understanding when she found out. She wouldn't say anything. But I haven't contacted her since I moved. I used to know her phone number by heart but she changed it and I've lost the number.

'My dad's been doing heroin for about ten years. I probably tell myself it's all right if I use heroin because he does. I don't live with my dad – they separated about six years ago. But he's always borrowing money off us, so we see him all the time.'

Ed

Ed is 29, an unemployed painter and decorator in Brighton who left school at fifteen.

'All my brothers and sisters were in care because my mum died when I was six and my dad couldn't cope. First we were sent to family

members we didn't know. We were all split off and we all ended up in children's homes after a couple of weeks. I've been to about sixteen homes since I was six.

'I had no respect or trust for anyone with authority just because of the system and the way I was shoved around different kids' homes. Anyone with a bit of authority I always rebelled against. I was so confused about different things when I was a kid. I remember going in a car along the sea-front to a children's home far away. I wasn't told anything. As you get older you tend to think more about those things and understand a bit more.

'I became close to one of the people that worked in a children's home [who became my foster mother]. She took me home at weekends and ended up listening to me. My foster dad is a builder. Last year he set up a car wash and left me to run it with a mate. It went well through the summer, but deteriorated through the winter. Then I got myself a habit and all the profit – the money that was supposed to go back into the business – went on drugs. We blew it, really. If we hadn't, it would still be doing well. We were doing 26 or 27 cars a day – a whole valet service, quick but thorough – everything in half an hour. That was an important part of my life. It was the first time something was left to me to do. I made it and lost it, basically.

'My foster father was more concerned than annoyed with me getting into drugs. He was quite supportive, really. He knows I'm not silly and I made a big mistake. I paid for it, because it was the first time I'd done anything on my own and I got satisfaction from it. The cars were looking really beautiful. Now I've more or less given up [worrying about unemployment], what with the drug habit and that.

'I still see my daughter [eight] and son [four], but I've lost them as a family and I worry about them a lot. I don't like being on my own. I talk to [their mother] but it's hard for me because she's with someone else now. It's hard seeing them together so I prefer to take the kids out. I don't even go into the house.

'I started drinking alcohol when I was thirteen in kids' homes. Now I hardly drink, which is weird because before my drug habit I had a bad drink habit. Basically, I just switched one for the other. I've had a

heroin habit for the last three years. I smoked it for one and a half years – my mate was doing it when we had the business. Just a little smoke in the caravan. Then it became that I wanted it every day and I started injecting – just for the rush, really.

'I use drugs to escape reality, problems, stress. I'm on the sick for having bad nerves and when I was drinking it made it worse. Heroin helped. Every time I used it I was fine. Then it got to the stage where I was in trouble with it.

'As time goes by, some drugs are getting more acceptable. If you say in public you smoke cannabis, people shrug their shoulders. If you say you're a heroin addict they'd probably walk off and talk to someone else.'

Lessons

The problem heroin users we spoke to reflected the opportunities and challenges highlighted by wider research into social exclusion. At one level, their stories lead us to comparatively optimistic conclusions about the worst of social exclusion: even the most excluded often have some connections. But exclusion nonetheless defines the great proportion of their lives, and will only be reversed when these connections are developed more fruitfully.

Heroin users may be more isolated than many people and, in the worst cases, their lives focus almost entirely around procuring the drug of their addiction. But among the young people we spoke to, several had worked at some time, had some contact with their families, had partners who do not take drugs and children in whom they expressed pride. Successful inclusion strategies will surely build on these links. Ideally, they will seek also to draw in those without these connections. Those who have sufficient networks to access help must be valued as an important resource to reach those who do not.

Note

Social capital: a fragile asset

Peter A Hall

In an influential series of articles, Robert Putnam has argued that the quality of collective life in the United States is declining as post-war generations weaned on television forsake traditional forms of organised endeavour on which their parents and grandparents had spent their free time. Putnam has found that membership in a range of associations from Rotary Clubs to bowling leagues has fallen over the past 25 years, as has the general willingness of Americans to trust other people.[1]

These trends have serious implications for society because membership of networks comprising formal associations or informal patterns of sociability are key components of 'social connectedness'.

Indeed, Putnam and others argue that formal and informal networks constitute a kind of 'social capital', with members more likely to participate in politics and more able to use their social connections to improve their own lives and their community. An organised citizenry can alleviate many social problems and ease the implementation of various kinds of public policy, for instance, by using neighbourhood watch groups to minimise crime. As a result, nations as a whole lose a resource when the ties between individuals erode.[2]

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Social capital in Britain

Britain and the United States share many features of industrialised democracies. However, an analysis of social connectedness in Britain indicates quite a different trend to the erosion of social capital that Putnam finds in the United States.

> 'Overall, the average Briton belongs to more organisations now than in the 1950s and organisational membership among women has more than doubled.'

As Tables 1 and 2 (overleaf) indicate, membership in formal associations has not declined substantially in Britain over the post-war years, although this varies among groups. Membership in traditional women's organisations, like the Mothers' Union and National Federation of Women's Institutes, has fallen over the past 25 years, while membership in many environmental organisations and sports clubs has increased sharply. Overall, however, the average Briton belongs to more organisations now than in the 1950s and organisational membership among women has more than doubled.

> 'Relatively good figures for aggregate levels of social capital obscure the fact that Britain is divided between a well-connected and active group of citizens and another whose associational life and involvement in politics is very limited.'

Figures on voluntary work and various kinds of informal sociability confirm these trends. Twenty five per cent of the British population do voluntary work each year, with 15 per cent doing so at least twice a week, bringing voluntary work in the UK to a total of around 20 million hours.[3] Time-budget studies show that the leisure time available to most people in Britain has increased substantially since the 1950s and that most choose to use time gained (after childcare) outside, rather than inside, the home. The amount of time spent on sports, civic duties, social

Table 1   Trends in total membership of various kinds of organisations in Britain, 1951–1991

000s
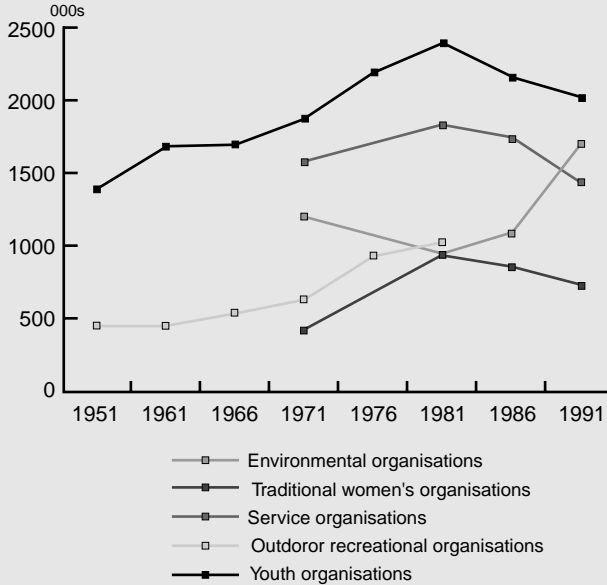
Source: compiled from Social trends (various), Office for National Statistics, London.

clubs and visiting pubs or friends – that is, on activities that involve socialising with others – increased slightly between 1961 and 1984.[4]

Britain shows no signs of the decline in group membership among post-war generations that Putnam finds in the United States. In Britain, those born during the 1940s and 1950s tend to belong to at least as many associations as did the interwar generation. As a result, aggregate levels of social capital seem to remain high in Britain.[5]

Explaining the British case

How might these differences between the British and American cases be explained when social trends in the two nations are otherwise similar in many ways? One tentative answer stresses three factors.

Table 2 Trends in associational membership among various groups in Britain

	1959	1973	1981	1990
All people	.73	1.15	.87	1.12
Gender				
Men	1.05	1.46	.93	1.13
Women	.43	.90	.81	1.11
Education				
Primary	.65	.97	.64	.67
Secondary	.90	1.48	.76	1.04
Post-secondary	1.58	2.05	1.74	2.18
Social class				
Upper-middle	1.13	2.24	1.57	1.97
Non-manual/clerical	.82	1.36	.89	1.34
Skilled manual	.70	1.02	.63	.79
Low skilled manual	.53	1.02	.57	.65
Age				
30 or under	.63	1.14	.71	.90
over 30	.75	1.16	.98	1.19

Note: The cells report the average number of associational memberships found among each group. *Sources*: 1959: Civic Culture survey in Almond G and Verba S, 1963, *The civic culture*, Princeton University Press, Princeton; 1973: Political Action survey in Barnes S and Kaase M, eds, 1979, *Political action: mass participation in five western democracies*, Sage, Beverley Hills; 1990: World Values survey in: Inglehart R, 1990, *Culture shift in advanced industrial society*, Princeton University Press, Princeton.

First, it is well established that each additional year of education increases the propensity of an individual to become involved in community affairs, whether by joining an association, providing voluntary work or participating in politics.[6] In this context, the post-war expansion of the British education system is of great significance. Over the past 30 years, the number of citizens with a secondary education has more than doubled and those with some post-secondary education has increased from around 3 per cent to over 14 per cent.

The author's analysis of these figures suggests that these increases in educational achievement have raised the level of community involvement

in Britain by about 25 per cent. In addition, the average impact of post-secondary education has been to increase graduates' levels of community involvement since the 1950s, perhaps because more students from modest backgrounds now benefit from a level of civic engagement from which, without such an education, they would previously have seen little returns and been disinclined to pursue.[7]

Second, the evolution of Britain's class structure since the war has also helped raise levels of community involvement. Economic changes, in particular the expansion of the public and service sectors, have increased the number of white collar workers with a comparable shift in class structure.[8] Samples drawn for the British Election Studies, for instance, suggest that the proportion of the population traditionally identified as working class has fallen from 51 per cent of the adult population in 1964 to 36 per cent in 1987, while professional or managerial occupations associated with the 'salariat' have risen from 19 to 29 per cent and those in other non-manual occupations have risen from 14 to 20 per cent of the population.[9]

These shifts in the socioeconomic distribution of the British population are important because middle class citizens participate more fully in politics, have on average twice as many organisational affiliations their working class counterparts and are likely to have networks of friends drawn from a wider range of environments. There is also evidence to suggest that individuals who moved into the middle class over the post-war period took on the sociability patterns of that class.[10]

The third and final element explaining differences in British and American levels of social capital is the longstanding design of British social policy, which has also helped to sustain high levels of community involvement. Since the social reforms of the 1905–14 Liberal Government, the British welfare state has been built in such a way as to cultivate and channel voluntary endeavour. As early as 1934, fully 37 per cent of the income of registered charities in the UK was payment for services provided to the welfare state. Despite some fluctuations, this pattern has continued to the present day.[11] In 1994–95, voluntary associations received £687 million from local authorities and another £450 million from central government. Although many such associations

employ professional staff, those receiving public funding also make extensive use of volunteers.[12] In short, the efforts of successive British governments to ensure that voluntary activity flourishes, especially in the social services, seem to have played an important part in maintaining levels of social capital in Britain.

Some troubling trends

To date, Britain has been more successful at maintaining levels of community involvement than its neighbour across the Atlantic. However, several worrisome trends identified by this study combine to paint a less than rosy portrait of British society.

First, relatively good figures for aggregate levels of social capital obscure the fact that British society is not uniformly criss-crossed by organisational networks and participatory citizens. In fact, Britain is divided between a well-connected and active group of citizens with generally prosperous lives and another set whose associational life and involvement in politics is very limited.

As Table 2 indicates, levels of civic involvement among the working class and the less-educated are substantially lower than among the more educated and the middle class. Moreover, although this has been true for some time, the discrepancy between the two groups has widened over the post-war years. In 1959, working class citizens on average belonged to about 62 per cent as many formal associations as those in the middle class. But by 1990 this figure was down to 45 per cent. Similarly, rates of political participation beyond voting were roughly twice as high among the middle class as the working class.

Evidence on working class patterns of sociability suggests informal, working class, friendship networks are not structured in such a way as to be an effective substitute for associational membership. By and large, members of the working class tend to have fewer friends, each associated with a specific endeavour, rather than the broad networks of contacts available for many purposes to the middle class.[13] In addition, because with in the working class friends tend to be drawn from the local community, the geographical mobility that Britain's economic

Table 3   Trends in social trust among various groups in Britain

	Percentage who display social trust		
	1959	1981	1990
All people	56	43	44
Gender			
Men	56	45	46
Women	56	41	42
Education			
Primary	50	37	42
Secondary	64	42	40
Post-secondary	79	60	64
Social class			
Upper-middle	71	58	57
Non-manual/clerical	54	48	45
Skilled manual	55	39	39
Low skilled manual	51	33	38
Age			
30 or under	56	41	36
over 30	56	45	46

Note: The cells report the average number among each group responding that, in general, 'you can trust other people' rather than 'you can never be too careful' and excluding 'don't knows'. *Sources*: 1959: Civic Culture survey in Almond G and Verba S, 1963, *The civic culture*, Princeton University Press, Princeton; 1981 & 1990: World values survey in Inglehart R, 1990, *Culture shift in advanced industrial society*, Princeton University Press, Princeton.

restructuring increasingly demands may erode what social capital is available to workers, as has the decline of trade unions and working men's clubs.

Second, as Table 3 indicates, levels of social trust in Britain have not kept pace with levels of civic engagement. The willingness of people to trust others declined dramatically between 1959 and 1981 and has remained stagnant ever since. Once again, there are some striking differences between social groups. Levels of social trust have fallen

Table 4   Support for other-regarding vs self-regarding behaviour and moral relativism among the young in Britain

	Percentage in each group saying the behaviour is never justified:	
	30 or under	Total sample
Claiming government benefits to which one is not entitled	50	71
Avoiding the fare on public transport	36	59
Cheating on taxes	38	54
Buying stolen goods	49	70
Keeping money one finds	27	50
Not reporting damage to a parked car	35	56
Lying	24	42
Littering	37	62
Endorsement of moral relativism	79	64

Notes: The cells report the percentage who respond 'never' when asked if the indicated behaviour is justified. Moral relativism is measured by agreement with the statement 'There are absolutely clear guidelines about what is good and evil. These always apply to everyone whatever the circumstances.' as opposed to the statement 'There can never be absolutely clear guidelines about what is good and evil. What is good and evil depends entirely upon the circumstances of the time.' Source: Data combines responses to the World Values Survey in 1981 and 1990 in Inglehart R, 1990, *Culture shift in advanced industrial society*, Princeton University Press, Princeton.

to especially low levels among the working class and those under the age of 30.

There is also substantial evidence of a declining interest in politics and rising levels of social cynicism among the young, in particular. In 1990, 42 per cent of those under the age of 30 said they never talked about politics, compared with only 27 per cent in 1959; and among fifteen to 34 year olds, the regular newspaper readership fell by 25 per cent between 1974 and 1993.[14] As Table 4 suggests, these trends have been accompanied by a greater willingness to endorse forms of behaviour that privilege self-interest at the cost of social well-being.

It may be that higher levels of youth employment and the election of a Labour Government which received strong support from those under the age of 30 will reverse some of the downward trends identified here. But the figures outlined above also mean that public efforts to maintain levels of social capital in Britain have hitherto failed to reach those who, by virtue of their age or class position, remain at the margins of society.

Conclusion

On the positive side, these data suggest that Britain has not seen the overall erosion of social capital that Putnam finds in the United States and, more importantly, they indicate that levels of social capital are not impervious to government action. On the contrary, policy for the delivery of social services can be designed so as to sustain voluntary endeavour and the expansion of educational opportunity can enhance civic involvement.

However, more needs to be done to ensure that those who lack the economic prosperity of middle class life are not also locked out of the social networks that bind mainstream society together and provide access to many personal benefits.[15] Such an endeavour is linked to reducing inequality but there are also broader issues of social well-being at stake. Low levels of social connectedness go hand in hand with low levels of political involvement and high levels of social cynicism. If those on the margins of society are left without social capital as a result of long-term socioeconomic change, society as a whole will ultimately suffer. The challenge of managing social capital, as with other resources, is to avoid the evolution of a new form of what Disraeli once called 'two nations'.

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Merging with the mainstream

Raj Patel

Ethnic minority businesses have grown through close ties with their communities. But they will need more expansive networks if they are to thrive.

Following rioting in Brixton and other inner-city areas in 1981, one of the key recommendations of Lord Justice Scarman's report was that ethnic minority business ownership should be promoted to avert 'the perpetuation in this country of an economically dispossessed black population'.[1] Indeed, the 1980s and 1990s have seen a large increase in self-employment and entrepreneurship among ethnic minorities, although whether government policy can claim the credit is debatable.

Minority communities continue to face a comparative lack of opportunities. As the most recent Labour Force Survey shows, unemployment rates for ethnic minority groups have on average been higher than for their white counterparts.[2] An equally concerning feature of the local economy over the past two decades is the fact that employment and unemployment rates for minority groups have tended to rise and fall more strongly with the economic cycle than they have for whites, strongly indicating that many people from ethnic minority communities are employed on the fringes of the labour market and

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often bear the brunt of the more negative features of a flexible labour market.

Estimates of the number of ethnic minority businesses are difficult to come by, but one Department of Trade and Industry estimate suggests than one in ten small businesses in the UK are owned by ethnic minority entrepreneurs, of which an over whelming proportion are South Asian. A small but increasing minority of these has developed into medium-sized firms from their original humble beginnings. But marked differences exist between the various minority communities,[3] with recent social and economic trends suggesting a complex picture of growing success among some groups and increased marginalisation among others.

> 'Minority communities continue to face a comparative lack of opportunities. Unemployment rates for ethnic minority groups have on average been higher than for their white counterparts. In addition, many people from ethnic minority communities are employed on the fringes of the labour market and often bear the brunt of a flexible labour market.'

Persistent high levels of unemployment among many minority communities mean that ethnic enterprise is now attracting increasing attention from policy makers, development practitioners and community organisations. The contribution minority-owned businesses could make to inner-city regeneration, where the vast majority of minority populations reside, has not gone unnoticed. One survey of Asian businesses in Leicester suggests that as many as 50 percent of the Asian population may be dependent on the survival and growth of Asian businesses in the city.[4]

The ability of many ethnic minority businesses both to integrate social and cultural relationships with their business dealings and to supply ethnic niche markets ignored by mainstream businesses has provided many such businesses with a toehold in the market. Minority businesses have also played an important role in some cities, revitalising areas by saving the neighbourhood shop, providing extended hours of

'Persistent high levels of unemployment among many minority communities mean that ethnic enterprise is now attracting increasing attention from policy makers, development practitioners and community organisations.'

trading and establishing sub-regional cultural quarters. It is also increasingly argued that the opportunities for ethnic minority business owners to establish or strengthen trading links with their country of origin in an era of globalisation could provide a competitive advantage to those localities where such linkages are explicitly encouraged and supported. Indeed, if future business prosperity is to depend on a spanning network of relationships, ethnic minority communities are good examples of such linkages both within their communities and at an international level.

But the growth of ethnic enterprise should not be viewed through rose-tinted glasses. On average, the ratio of ethnic minority to white unemployment has been higher in the 1990s than it was in the second half of the 1980s. For example, it was 1.7 in 1987–91, compared to 2.3 in spring 1996.[5] It also seems that efforts to transform businesses operating on the margins into mainstream operations is not a task likely to be accomplished within the existing approach to ethnic minority development. However, failure to do so would contribute to a continued lack of social and economic mobility among minority communities.

The economic climate of the 1980s may have fostered a much needed enterprise culture among many minority businessmen but a major criticism of the distinct culture which took shape during that period is of its exclusivity. Traditional arms of policy – ranging from the DTI to banks, chambers of commerce, Training and Enterprise Councils and now Business Links – have found it hard to reflect the growing diversity of the market place.[6] At the local level, individual players have attempted to examine how their services and strategies could better address this diversity. However, policy is more often driven by the 'need to do something' than it is by strategic considerations, or it is based on equal opportunities rather than the potential for economic development.
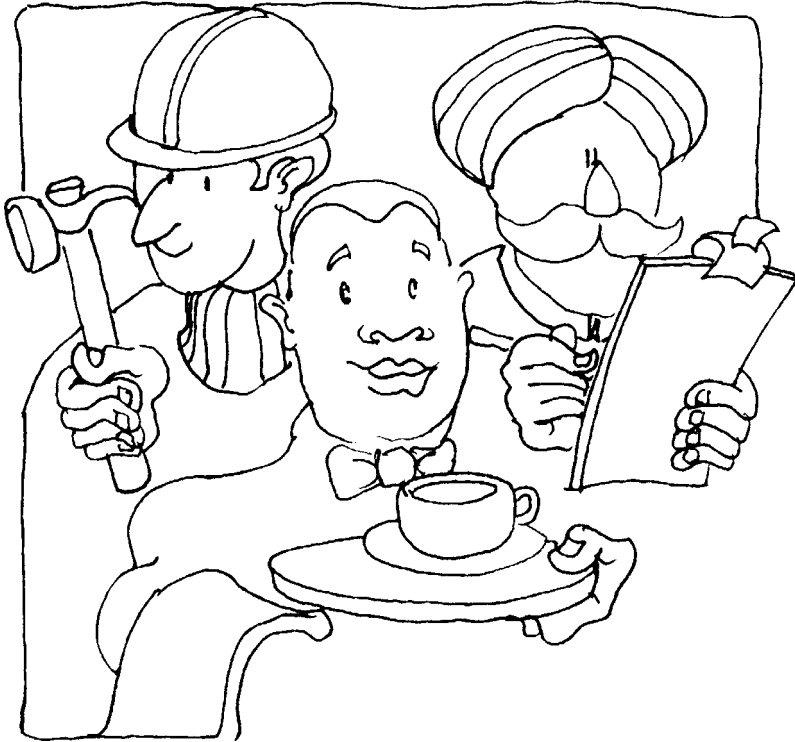
One response to the exclusion experienced by many minority communities from various spheres of economic activity and from the institutions charged with promoting it has been a greater reliance on internal networks. However, any concept of totally self-reliant communities probably represents an exaggerated picture of a reality which in fact varies greatly among specific ethnic groups.

'While minority business networks may have had an historical role to play and existing businesses depend on them, such networks are likely to perpetuate social exclusion rather than reverse it.'

In a *Demos Quarterly* on 'The new enterprise culture', Gerard Fairtlough argued that industrial policy has paid scant regard to the interaction between firms or to the possibility than an industry or a region could be more than the sum of the firms involved. But business networking is now one of the most popular topics within organisational studies and examples of industrial success in areas such as the Silicon Valley and Emilia Romagna are used to demonstrate the competitive benefits inter-firm networks can bring. Networked-based industries offer the potential to develop a new industrial policy based on promoting creating innovation and flexibility to improve competitiveness.

If business networking is a significant factor contributing to competitiveness and business development, the presence of such networks within minority communities would seem to be to their substantial advantage. However, such a contention requires critical examination.

Networking within the minority community is perceived to be a significant factor underlying the phenomenon of ethnic minority business in the UK, supported by family contribution and close community proximity. However, while minority business networks may have had a historical role to play and existing businesses depend on them, such networks are likely to perpetuate social exclusion rather than reverse it, especially if existing models are used as a basis for future development.

In London alone there may be in the region of 30 ethnic minority business networks, with radically differing capacities and roles in promoting business development. Five main types suggest themselves:

○ Profession based, such as the Society of Black Lawyers, which are also underpinned by identity religion, caste, ethnicity or regional groupings, such as the Sikhs or Trinidadians
○ Sector based, such as the Black Contractors Association
○ Borough or city based, often focused around specific ethnic groupings, such as the Leicester Asian Business Association
○ Trade based, such as the Turkish Chamber of Commerce (but excluding the many buying groups).

Many networks are likely to be hybrids combining cultural, social and business activities, such as the Bangladeshi Caterers Association, for example. Others may be extremely informal with loose connections between 'business members', while a significant number still primarily fulfil social functions. Still others are at the early stages of explicit engagement in business and economic development.

Minority networks with a strong business focus have played an important role in raising commercial awareness, promoting and representing the interests of their members, engaging in regeneration and generally improving access for their members to services aimed at economic development. Most of these networks have one key feature in common – they seek to maintain and strengthen links between minority businesses and, in some cases, take collective action to lobby for their interests. However, the future capacity of such networks to deliver significant business development opportunities needs to be questioned in the light of a number of issues facing minority businesses.

○ *A dependency on ethnic niche markets*, often perpetuated by settlement patterns such that business serve segregated minority communities. At the same time, evidence shows that new small business growth is in areas likely to be least reliant on local markets. Conversely, sectors with slower rates of growth are those most closely tied to locality in terms of markets served.[7]

○ *Changing ethnic minority consumer markets*. Second and third generations of British ethnic minority groups are acquiring differing lifestyles and consumption patterns to their parents and grandparents. As the fourth national survey of minorities by the Policy Studies Institute reveals quite clearly, individuals from ethnic minority groups have numerous non-ethnic identities based on occupation, neighbourhood, consumption, leisure and so on.[8] Most mainstream businesses may be failing to realise the economic potential of this group, but the presence and growth of ethnic media and communications has put the 3 million strong

population within reach of most businesses. Ironically, one argument in the debate surrounding the business case for equal opportunities is that employment of people from minority communities could, in some industries, help mainstream businesses tap into the large ethnic minority consumer market.

○ The flight of white residents from some areas has further *limited market potential*, especially in innercity areas. But, as Ram and Deakins have pointed out, an inner-city location has meant that those businesses catering exclusively to a white market may be in no better position than businesses based in an ethnic enclave.[9] In both cases geographic location and competitive market conditions are limiting real growth prospects.

○ Business strategies that proved successful means of securing a market, such as targeting ethnic niches, competing on price, relying on low consumer expectations, focusing on low entry cost sectors and using family labour, have left many businesses ill-equipped to meet the challenges of a new competitive environment. Quality, high added value, customer focus and rapid response to market changes are now more critical. In addition, competitive pressures on price from the newly industrial countries is making it increasingly difficult to survive in low margin industries such as clothing and textiles.

○ Reliance on informal networking may have led to *underdevelopment of marketing skills and capacity*. In some parts of the country, limited external pressure or incentive to enter non-community markets may be stifling innovation and development.

○ Relying on family members to fill key business positions makes it *difficult to attract other skilled staff*, especially those with experience in different industries. Some businesses have realised the need to buy in appropriate expertise, especially where there is significant interface with a potential white

customer base. Of greater impact could be the trend towards a knowledge-based economy where wider family support would add little to company 'know-how'.

Finally, two points provide food for thought: first, ethnic minority self-employment occurs for the most part in quite different parts of the economy than in the case of the white population:

'While half of white self-employment is in construction, agriculture and manufacturing, half of minority ethnic self-employment is in retail (South Asians except Bangladeshis) or catering (Chinese and Bangladeshis), though a third of all self-employed Caribbeans were in construction. A fifth of the whites were in the financial sector, as were the Caribbeans and the African Asians … one in five of Pakistanis and one in seven of Bangladeshis and Caribbeans were in transportation, primarily as taxi and mini-cab drivers, compared with only 5 per cent of whites.'[10]

Second, with the exception of Chinese households, those of other ethnic minorities (Caribbean, Indian, African Asian, Pakistani and Bangladeshi) are more likely to be in poverty, and less likely to have relatively high family incomes, than are whites. Among all ethnic minority groups except Caribbeans, there is a comparatively high level of self-employment and business ownership.

'Public policy support and private sector leadership are needed to promote inclusive business networking while minority businesses must reinvent themselves and adopt a more strategic response to business development.'

The position of minority businesses may mirror the exclusion of minority communities within society. As a result, market, social and business trends combine to paint an unpromising picture for the future of ethnic minority business unless the issues outlined here are integrated as key elements of business development strategies. A fundamental revision of the role and function of minority business

networks is required. Self-reliance among minority businesses can only come through networking with mainstream businesses – learning-by-interacting, joint ventures and collaborations, building partnerships, undertaking hospitality events and getting into supply chains.

Business support institutions are increasingly interested to encourage minority business to break into the mainstream, higher-yield market. Securing such a shift will require an holistic approach, addressing all aspects of business operation, from location and products to management and finance.[11] Given the limited popularity of business support agencies among minority businesses, business networks offer a potential route in. However, the present structure of minority business networks is unlikely successfully to support the diversification of minority businesses. Public policy support and private sector leadership are needed to promote inclusive business networking at the most fundamental level, coupled with an effort on the part of minority businesses to reinvent themselves and adopt a more strategic response to business development.

Minority business people identify themselves first and foremost as business owners, with their ethnic identity playing second fiddle. But there is a contradiction here: the *raison d'être* of minority business networks is rooted in the failure of mainstream business networks to meet their needs. The norms of trust and reciprocity, and respecting different ways of doing business, are easier to establish within one's own community. But while such thinking may be the founding principle on which many business (and professional) networks organise, it is evident that to address social exclusion, minority business networks need to rethink their make-up and objectives if they are to 'break-out' into the mainstream market.

Notes

1. Scarman, Rt Hon The Lord, 1981, The Brixton disorders 10–12 April 1981, HMSO, London.
2. 'Trends in labour market participation of ethnic groups, 1984–96' in *Labour Market Trends*, vol 5, no 8.
3. See Modood T et al, 1997, *Ethnic minorities in Britain*, Policy Studies Institute, London.
4. CAG Consultants, 1995, *Research into Asian businesses*, Leicester City Council, Leicester.
5. See note 2.
6. For a more detailed review see, *The new enterprise culture, Demos Quarterly*, issue 8.
7. Storey D, 1994, *Understanding the small business sector*, Routledge, London and New York.
8. Modood T and Bertoud R et al, 1997, *Ethnic minorities in Britain: diversity and disadvantage – fourth national survey of ethnic minorities*, Policy Studies Institute.
9. From Deakins D et al, 1997, *Small firms: entrepreneurship in the Nineties*, Paul Chapman Publishing, London.
10. See note 2.
11. For more analysis on breakout, see note 9.

Trust me, I'm the patient

Dr Cecilia Pyper

> 'The real voyage of discovery consists not in seeking new lands but in seeing with new eyes.' (Marcel Proust)

Although Britain has the potential to enjoy relatively little ill-health and sufficient wealth to care for those with serious health problems, social inequalities that produce health inequalities are, in fact, the reality. However, by the year 2010, Britain will have long since come to terms with a leaner, more focused and more patient-centred NHS than it has today. This significant and sustainable change will have come about because individuals were respected by their NHS and offered opportunities to be included in the management of their own health.

An observer in 2010 might describe developments in the following way:

'In 1997, the health service in Britain was exclusionary in the way it made patients feel and act about their own health and was clearly heading for crisis. The style of interaction between health professional and patient gave patients a sense of an unequal relationship and left them feeling helpless and powerless. Patients could often be passive in expecting things to be done for them, and frustrated and angry when

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they did not get what they needed. The NHS was expected to find the solutions because people perceived that most solutions to their health problems were outside their control. This in itself raised patients' general level of anxiety and their need for reassurance.

'People brought many problems to the early attention of a health professional which, twenty years earlier, they would have initially tried to manage themselves. This led some cynics to describe primary health care centres as havens for the "worried well" middle classes and placed a huge burden on the NHS. But, perhaps more significantly, it made primary health care centres places where many others, such as those from ethnic minorities and those with poor social skills or mental health problems, felt unwelcome and uneasy about adequately expressing their health concerns.

'In the years since then, we have been able to cut costs by becoming more self-reliant in the way we manage our health. The NHS exists primarily to serve those who need expert opinions and complex treatments, as well as high technology investigations or surgical procedures. There are no age, class or financial barriers to receiving this care but people know the services will only be cost effective if they themselves become partners in the management of health care. This means that people are willing to use their knowledge and skills to manage many health problems, as well as looking after their health as if it was their most precious possession, which indeed it is.

'An increased public awareness of health issues means the NHS has been able to cut back on services once considered essential. A comprehensive life skills education programme is integral to the school syllabus and has produced in individuals a more sophisticated way of managing their own health. Children are taught how to access health information on their school computers and already know how to make informed decisions. They understand how information on the system is colour-coded so that white, kite-marked information is based on evidence gathered from many research studies whereas blue information is anecdotal. As children grow older, the complexity of the health information they are processing through the life skills programme increases.

'In 2010, we have become more self-reliant in the way we manage our health. People are more willing to use their knowledge and skills to manage many health problems, as well as looking after their health as if it was their most precious possession, which indeed it is.'

'Children also attend weekly meetings of small groups in which they have an opportunity to discuss a wide range of issues with influences on people's health, including relationships, assertiveness, self-defence, substance abuse and different lifestyles. Each year, pupils are
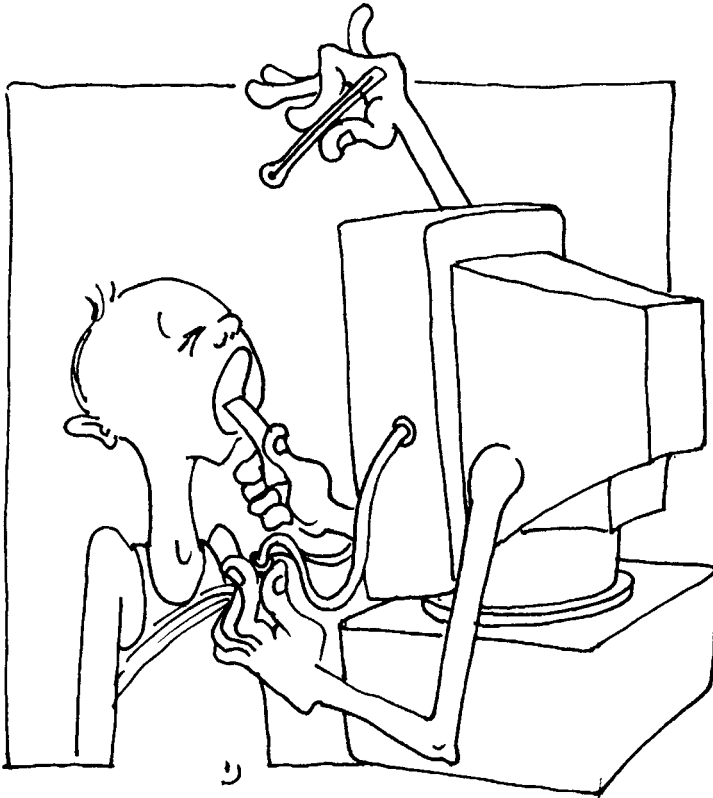
involved in making decisions about maintaining a healthy lifestyle at school, such as the types of meals served and the physical education activities on offer. Although not all the children's suggestions for alternative diets and physical education activities are successful, they stimulate a great deal of discussion and pupils continue to be responsible for making alternative suggestions.

All children must earn a certificate in life skills before leaving school. This certificate means a child is fully qualified to access basic health information on the Internet, make responsible decisions using flow diagrams to diagnose and manage minor health problems themselves when necessary. They also know when to seek additional support or an expert health professional's opinion. In addition to demonstrating computer literacy and decision making skills, the children must demonstrate their ability to communicate and negotiate effectively through a series of role plays. As a result, children have the skills to manage their own health to a degree unimaginable in 1997, including, most importantly, knowing when and how to seek additional help.

'Children in our society are able to manage their health in a supportive environment because their parents are familiar with the life skills course. As well as being regularly updated by parents' sessions at the school, parents are involved in developing complementary activities for their child at home.

> 'In 2010, everyone has access to a digital television at home. There is a dedicated channel for health programmes and televisions are connected to the NHS section of the World Wide Web. This enables users to access their local network of health and community services.'

'The success of the life skills programme is due to a new breed of teachers emerging from teacher training colleges, all of whom are qualified life skills facilitators. A key part of the teacher training course is the involvement of teachers in developing the framework of the life skills programme, which includes social, financial, legal and

environmental perspectives as well as health, and the linking of relevant aspects of their specialist subjects to these elements.

'In 2010, everyone has access to a digital television at home. There is a dedicated channel for health programmes, which includes soap operas designed to promote discussion and offer clear information about the wider influences on health and well-being. Television sets have a keyboard and modem which connect them to the NHS section of the World Wide Web. All accessible information is based on evidence obtained from high quality research. The web is user-friendly and enables individuals to access their local network of health and community services. As the following examples show, a significant part of health management has been placed outside the traditional NHS setting:

Respiratory infections

Connie (17) has had a bad cough for one week. She knows that most coughs and colds are due to viral infections and they get better by themselves. She is also aware that since the age of eight she has had mild asthma which often gets worse when she has a viral infection, especially if she does not increase her inhaler therapy. Connie holds her own medical records on computer disk, including the management plans for asthma and chest infections. She therefore feels confident to manage her asthma and increases the doses of her inhalers. But Connie becomes concerned that she has a temperature, her cough is persisting and, despite increasing her inhalers, she still feels wheezy. She knows people sometimes develop bronchitis: it has happened to her before and she has already discussed the management with her nurse specialist and has the relevant medication on a repeat prescription. She therefore starts a course of antibiotics and a short course of steroids tablets. A week later she is much better. She records the illness and her management on her computer.

Back pain

'Jamie (27) has hurt his back lifting some heavy boxes. (He was taught how to lift correctly at school in the physical education classes but his

posture is poor and he keeps forgetting.) Jamie can hardly move and is in a lot of pain. He knows from his life skills education at school how to access the web site that gives the general public evidence-based information about the management of back pain. The web site presents a flow diagram that Jamie feels confident to use to check whether the type of symptoms he is experiencing indicates that he needs to see a health professional immediately. But the flow diagram indicates that, for now, he can manage his own symptoms. He reads that most back pain gets better over a few days or weeks and that it is best to keep moving if he can. There are recommendations about the types of pain relief he can buy from the chemist. Jamie accesses local on-line self-help groups and decides to book in with a local back management group because this is the second time he has had such the problem. He is able to make and confirm a booking via his computer. Three days later he returns to work and the following week he attends the evening back pain group.

Sexual and reproductive health

'Lisa and her partner Ian are confident to take responsibility for maintaining their sexual and reproductive health. As well as Lisa taking the oral contraceptive pill, the couple also use condoms to optimise their chances of preventing both pregnancy and sexually transmitted diseases. Lisa gets her pills and condoms free from the pharmacy. The pharmacist uses details from Lisa's health disk to ensure there are no contraindications to her using the pill and to unsure that she is routinely checking her blood pressure every six months. If necessary, a free electronic blood pressure machine available at the pharmacy can record a reading of Lisa's blood pressure directly on to her disk. Lisa's disk also provides her with information about her type of pill and a telephone helpline.

Pregnancy

'Sandra is pregnant, which she confirmed by doing a home pregnancy test. After booking an appointment via the community network on the World Wide Web, the midwife sees Sandra and her partner Tim to discuss the screening and management options with them. They choose

home monitoring and Sandra borrows a home blood pressure monitor and a small machine to check the baby's heart from the midwife. The midwife also gives her some dip sticks to check her urine for protein or glucose. Although the couple have already learned to use this equipment at school, the midwife gives them a revision session to ensure they are confident to use it. They decide they would like to see their baby on a scan at twelve weeks, twenty weeks and 30 weeks and are given the relevant forms. The midwife shows the couple how to enter the information on to Sandra's health information computer disk and how to download the information to the midwives' central database.

'Sandra and Tim know they will regularly see the midwives when they attend the local expectant parents' group. But as Sandra has no risk factors for complications during the pregnancy, the couple agree to meet for an individual appointment with the midwife when Sandra is 32 weeks pregnant. At the expectant parents' group, the couple are invited to attend several different series of sessions including: The stages of pregnancy for the mother and baby; Planning labour care; The management of common problems that occur during pregnancy and labour; Choices about where to have your baby; and Preparation for parenting. Sandra and Tim enjoy meeting couples in similar circumstances. They value learning from each others' experiences and sharing similar difficulties in making decisions about where to have their baby.

'In the event, Sandra and Tim opt for a home delivery. There are no complications and Amy is born after eight hours' labour.

'Following the birth of their baby, Sandra and Tim decide to continue attending their community group meetings which are orientated around parenting during the first two years of life. They have got to know several other couples well and they value the ongoing group discussions. After Amy's first birthday, Sandra and Tim continue to meet with some of the members of their group informally.

Dementia

'Mary was 86 when she was diagnosed with Alzheimer's disease. When she was first diagnosed, her daughter June was given all the information

about the community elderly mental health team who were to be responsible for the care of Mary in the community. When June contacted the team, Mary was allocated an advocate, who worked independently of the mental health team to ensure that Mary's care was truly responsive to her needs. The advocate's role is to liaise with all the people involved in Mary's care, and to support people like June. As Mary's closest relative and the one most concerned about her well-being, June was a key person in the future management of her mother's care. The advocate ensured that Mary received all the financial benefits entitled to a person with Alzheimer's and that June received the financial support to which she was entitled because of the time she spent caring for Mary.

'June and the advocate were together responsible for ensuring that the type of care organised for Mary was informed as fully as possible by Mary's wishes. Her care initially centred around supporting her within her own home but the following year Mary required residential care. She died six months later in an environment that offered her kindness, respect and dignity. At every stage, June and the advocate were able to ensure that the standard of Mary's care was of high quality.

Conclusion

These examples of NHS users in the Britain of 2010 indicate how changes to the system mean that people are now included in their national health care system. Some are confident to manage their health and only contact health professionals when appropriate. Some are able to use resources within the community other than health professionals. In the last example, Mary was unable to act as advocate for herself and needed longer-term support. But at every stage, patients initiate the way in which they wish to manage their own health and people with specific health care roles take responsibility for their care. By contrast, the NHS of 1997 did not encourage people to manage their own health. In fact, the system increasingly encouraged people to be dependent on NHS services, resulting in over-stretched services and predictable financial crises.

To be effective, the NHS needed to adopt a holistic, preventive approach that took into account the wider factors that influence people's health, including their emotional and social well-being.[1] Some health problems need the expertise of highly sophisticated services and highly trained health professionals. But many other health needs are more appropriately managed at lower cost, outside the traditional NHS setting and in a system designed with reference to our multicultural society to actively include all its members.'

Note

1. See for instance, 6 P, 1997, *Holistic government*, Demos, London, and Leat D and 6 P, 1997, *Holding back the years: how Britain can grow old better in the twenty first century*, Demos, London.

Learning to belong

Tom Bentley

> Institutional boundaries must be overcome if education is to become truly inclusive.

The acquisition and application of knowledge are fundamentally important to prosperity and social cohesion. Education – all systems and processes by which we organise and assess learning, not simply the formal education sector – is therefore central to any strategy to combat social exclusion. Knowledge and qualifications are a passport to regular work, personal mobility, civic participation and long-term well-being. But the debate over how to improve educational performance is limited by the way our institutions work and by long-standing assumptions about the scope and nature of education. Educational institutions often entrench social exclusion by helping to limit the horizons and experiences of those at risk and by stifling their motivation to learn.

If education is to play its part in reducing social exclusion, it must embrace four key insights:

- an understanding of the range and diversity of human intelligence

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Tom Bentley's book, *Learning beyond the classroom*, will be published by Routledge in 1998.

- the importance of emotional health as the foundation of personal achievement
- the potential connections between education and other public and social services
- the place of formal education in wider communities of human learning and interaction.

In the UK, there are four principal dimensions of educational under-achievement which have a major impact on social exclusion:

1. Poverty and geography

The concentration of poverty and wealth over the past twenty years mean the material resources available for learning are far lower in some areas than others. Those who experience multiple deprivation are now more likely than ever to be lumped together in schools which gain a reputation for low achievement, high truancy and other problems. These images are in turn likely to put off the parents with more resources, higher expectations and greater power to choose where they send their children. There are an estimated 2,000 large, difficult-to-let housing estates in the UK. In secondary schools serving these estates, levels of truancy are four times the national average, while GCSE pass rates are less than half the national average. Since 1988, both GCSE attainment and staying-on rates have improved more than twice as fast in the areas of Britain where the wealthiest quarter of the population live, than in areas inhabited by the worst off. Material conditions and social geography have a powerful impact on educational attainment.

2. Culture and networks

Alongside the material impact of living in a deprived neighbourhood or a poor or fragmented family, the social values, cultural norms and range of adult examples to which young people are exposed are crucial factors contributing to their ability to succeed. This is partly because the quality of parenting is so important and also because, as argued throughout this *Demos Collection*, social networks are vital determinants

of an individual's life chances. A range of adult role models or mentors is an indispensable informal resource for young people and something that traditional institutions can rarely capture or replicate. For young people living on estates where the majority of adults are economically inactive or where the most visible examples of young male adulthood are criminal, the absence of positive role models and wider ties to the outside world can be hugely detrimental. Large secondary schools in such areas often perpetuate the social and cultural isolation of disadvantaged young people by effectively segregating them from interaction with a wider range of adults.

3. Motivation

Motivation to learn, readiness to develop the discipline and self-direction required to achieve, and an appreciation of the longer-term benefits of education are also important determinants of success and failure. As children get older, they are expected by society to take more responsibility for their own motivation. But for those who have already experienced failure in school or significant family trauma, the skills and emotional capacity inherent to self-motivation are often lacking.

Among disadvantaged working class communities, attitudes to education are often deeply ambivalent and sometimes openly hostile. This is partly a function of the environment in which people live: if there are fewer resources available to support education, if the priority is to find ways to make ends meet and if the community in which a young person grows up is tight-knit and suspicious of outside influences, then finding and sustaining motivation is much harder. Learning involves opening up to the outside world, while the experience of many young people pushes them towards closure, suspicion and defensiveness. Historically, the process of extending compulsory education in the UK has seen many working class families struggle to overcome strong beliefs that a child or young person should be earning a living and getting on in the world they know, rather than spending more time in school.

Although there is a growing appreciation that good education is an important factor in reducing the risk of unemployment, it is still those

who need it least, the already well-educated, who are the most likely to pursue further education. A recent Henley Centre survey showed that while 60 per cent of those in social classes ABC1 were engaged formally or informally in some kind of study, the figure drops to 36 per cent of C2s, 27 per cent of Ds and 23 per cent of Es.[1] Other factors influence one's commitment to study, such as time, resources and knowledge of what is available. But the motivation to learn is the foundation of longer-term achievement.

4. Institutional rigidity

The rigidity of many educational institutions limits their capacity to provide many young people with the right kinds of support. The *threshold conditions* which schools impose – conditions which must be met by a pupil in order for them to play a constructive part in school life and to learn effectively – are often too demanding for many young people to handle. The rules, pressures and core assumptions under which schools and colleges work can also make it difficult for young people to understand the relevance of education to the rest of their lives and to match curriculum content and modes of teaching with the ways in which they learn most effectively.

> 'Education has long been seen as a way of equalising opportunity and helping to prevent poverty and marginalisation. But educational institutions often give most to those who need it least and sometimes exacerbate the problems of young people at risk'

In particular, institutions tend to perform poorly at preventing problems or weaknesses from being amplified over time, so that pupils who start from behind their peers, or who are struggling with personal or emotional problems which interfere with their capacity to learn, find themselves caught in a vicious cycle. As the problem impinges on their learning and their place in a school community, they are

progressively less able to deal with it and their position in the wider school context also becomes harder to sustain, often leading to disruptive behaviour and lower attainment. For hard-pressed professionals working with limited resources, it is difficult to spend much time or energy on such problems if they seem to detract from the core goals of the institution and to divert resources from other pupils. This is surely a key factor behind the rapid rise in permanent school exclusions, which have tripled over the last five years.

The indicators by which institutional performance are currently measured, primarily examination success and attendance rates, also pressure institutions to focus on pupils who meet threshold conditions with more ease. The result is a growing body of disaffected under-achievers and a leakage of young people from institutions through demotivation, truancy, criminal offending and exclusion. The failure of the school system adequately to address the problems of disaffected pupils often means that other public service budgets, such as policing, probation and social security, bear an additional burden and that opportunities for young people are severely reduced.

How can these problems be addressed? Education has long been seen as a way of equalising opportunity and helping to prevent poverty and marginalisation. But the evidence above suggests educational institutions often give most to those who need it least and sometimes exacerbate the problems of young people at risk by corralling them in institutions which fail to win the trust of the wider community, or to present positive examples and role models which could lift their sights and connect them to further opportunities.

Overcoming institutional blockages

The first challenge is to find ways of preventing the institutional identity of schools from stifling the energy and motivation of their pupils, or from acting as a barrier to the use of wider resources. Where parental support is not forthcoming and the surrounding environment is perceived to be hostile, it is understandable that educators 'pull up the drawbridge', focusing on activity within the school premises and making

them as secure as possible, rather than developing the school's role in the wider community. This approach, however, has inherent limitations. While good schools are sanctuaries, places where learning and knowledge are pursued free from distraction and disruption, they must also be well connected to the resources and concerns of the communities in which they are based.

Strategies for combating social exclusion through education therefore depend on breaking down barriers: between schools and communities, between informal and formal learning, and between professional and lay knowledge. The key challenge is to reconfigure the resources available to support learning around *the needs and abilities of learners*, so that all those involved in education are focused on common goals which relate meaningfully to the experiences, understandings and futures of young people themselves.

Holistic services

One way to direct resources more effectively towards high quality learning, especially in communities dependent on other forms of state support, is to work towards integration of other family and social services with mainstream education. The boundaries between academic education and vocational training have been blurred over the past fifteen years, as both knowledge and skills have become more important to business success and as educators have been more exposed to markets. A similar shift is required to bring together the goals and practices of education with the range of social services provided or funded by government.

Schools are ideally placed to become a focus of activity for far more than their core pupils. School buildings, which often stand empty and unused during evenings, weekends and holidays, are an invaluable and often centrally located resource. More importantly, schools are the only national institution to which almost every member of society will go, as student or parent, at some point in their lives. But fulfilling this wider potential requires systems of administration and professional collaboration which cut across current functional boundaries. Schools

which are better integrated in the provision of family support services overall may become more transparent – and legitimate – institutions, in turn helping to stimulate local cultures which value and support learning and playing a key part in combating social exclusion.

Such a strategy implies that schools should become the hubs of local learning and service networks, rather than self-contained institutions with clearly defined limits to entry. Under this construct, the new community school would include services for all learners of all ages, from pre-school to adult learning.

Examples of such reform are multiplying around the world. In New York, school development often involves partnership between private agencies and school boards, and several schools in deprived urban communities have created holistic frameworks by basing family, health and social services within the school and managing them through multi-disciplinary teams of professionals, parents and community leaders. Schools like Decatur-Clearpool run extended day and weekend courses, adult learning opportunities and workshops tackling social issues such as drugs, pregnancy and HIV. The Children's Society, in partnership with Manchester City Council, is currently piloting the reorganisation of education and children's services around a more holistic model of provision. Many community colleges, such as Impington Village College in Cambridgeshire and Eggbuckland Community College in Plymouth, also offer 'cradle to grave' learning opportunities and work hard to make sure that they sustain a shared culture of learning, rather than just the provision of services for different user groups.

These ways of working also offer important lessons for addressing disaffection and behavioural problems within schools. There are a number of ways in which professionals can intervene positively, rather than resorting to tighter control and exclusion. For example, Youth Link in Surrey brings together educational psychologists, youth and social workers and teachers to provide packages of individual support for disaffected pupils, helping to tackle their problems while they remain in school. Having secured the consent of an individual student, this approach builds specific provision – in-class support, psychotherapy, out-of-school activities, youth work – around the young person's

agreed needs. This type of programme provides flexible, customised resources around the learner, rather than requiring the learner to fit into standardised forms of education provision. A similar approach has been developed by Cities in Schools, an organisation dedicated to preventing school exclusion and reintegrating marginalised young people.

Building bridges back into institutions

For some young people, school has already become too much to cope with. Relationships and trust have broken down and their learning needs are not met by anything their schools can currently offer. Providing accessible learning opportunities which focus on the goals, interests and experiences of participants can help guide those most at risk of marginalisation back towards the mainstream and give them the personal resources to cope with and benefit from what institutions have to offer. The starting point for these young people is to nurture their confidence, motivation and emotional development alongside their skills and knowledge.

One striking example of such an approach is the Dalston Youth Project (DYP), a community-based mentoring and educational support programme for some of the most disadvantaged and disaffected young people in the London Borough of Hackney: fifteen to eighteen year olds who have been excluded from school and are at risk of becoming frequent criminal offenders. DYP helps to build its students' confidence, self-awareness and basic educational and employment skills in-house, and through specially designed pre-employment and college 'taster' courses. By working closely with other providers in the borough, the project then links young people into further learning opportunities.

Project participants often have few positive adult role models in their lives. Most live with a single parent, are in local authority care or with foster families. An integral part of DYP's approach is to match each young person with an adult mentor, often from the same ethnic background, offering a unique, personal, learning relationship. The aim of such relationships is to offer a particular kind of informal support,

from someone with authority and experience, who is committed to supporting the mentee in identifying and clarifying their own goals, and then developing strategies to achieve them. DYP's programme is deliberately designed as a holistic package, so that it is impossible to isolate the effectiveness of its different elements, there is no doubt that mentoring helps to enhance and deepen the effectiveness of the programme. DYP's results to date have been impressive: independent evaluation has shown that 73 per cent of the young people on the project's first cycle ended up in college, training or work, while arrests were reduced by 61 percent.

The success of projects like DYP has important implications for the ways in which we view the efforts of educational institutions to meet the challenge of tackling social exclusion. Their efforts should not focus simply on making what happens inside schools more effective but on marrying the rigour, focus and formal content of high quality curriculum-based education with the creativity, spontaneity and mutual support networks of thriving local communities. What happens inside the classroom is still, of course, vital.

But perhaps even more important are the ways in which education institutions develop connections to the outside world and to other forms of service provision. This is a challenge to professionals to look beyond old boundaries, develop common goals and vocabularies and work even harder to adapt their practice to individual circumstances. But it is also a challenge to all of us, to build a new voluntarism and find ways to support young people's development at the heart of our social, occupational and local networks. This is a question of ethics and responsibility: the fact that volunteering was recently found to be a source of joy second only to dancing among British people also gives grounds for hope.[2]

Conclusion

Education can only be a powerful tool in combating social exclusion if it can connect itself to individuals' wider goals and the prevailing influences on their lives. This requires us to view the educational

process as part of a complex and fluid system, rather than as a for-malised strand of experience, contained in organisations which are set aside from the outside world.

The challenge for educational institutions is to integrate the goals, experiences and expectations of their students with the fullest range of resources available to support their learning. Such resources can only be accessed if institutions are at the hub of diverse, overlapping net-works of people, information and collaboration. This article has out-lined some examples and approaches which show how we can begin to bring about such a shift. Policy makers, practitioners and individual learners must consider how each can best fit into the processes of learning and human interaction which surround us all, and to com-municate what they have to offer in ways which others can understand and usefully apply.

Acknowledgement

Notes

1. Partridge, S. 1996, 'Learning for a lifetime' in *Planning for social change 1996–97*, Henley Centre, London.
2. Argyle, M, 1996, *The social psychology of leisure*, Penguin, London.

Book marks

Dangerous disorder

Anne Power and Rebecca Turnstall

Power and Turnstall studied thirteen riots which occurred on UK housing estates between 1991 and 1992, in an attempt to understand why some estates erupted into violence while others did not. Their analysis dispels the notion that rioters tend to be from ethnic minorities living in run-down council flats, and criticises the way in which the police dealt with the rioters. The authors suggest that police action during these periods of unrest turned disillusioned young men into violent young men.

Overall, however, the report focuses on the speculative opinions of the police and youth workers on the estates in question, arguing that the young men involved in the riots have become alienated from society through a combination of unemployment and weak social ties. A book which sees the social exclusion of young men through the eyes of those dealing with the results.

(*Joseph Rowntree Foundation, York, 1997*)

Outsmarting IQ: the emerging science of learnable intelligence

David Perkins

A magisterial review of the evidence, both past and current, of the nature and dimensions of human intelligence. Perkins shows that, contrary to

the assumptions of those who pioneered IQ testing, intelligence is not fixed, inherited or unitary. Instead he divides human intelligence between the *neural*, determined by our genes and neural networks, the *experiential*, built up through direct experience, and the *reflective*, our use of mental strategies to organise our thinking processes and try out different problem-solving approaches.

Perkins shows that, to a significant extent, intelligence can be learned and that the three dimensions of intelligence often work together, amplifying our strengths and compensating for specific weaknesses, to support intelligent behaviour. Rather than restricting intelligence to what is contained in our brains, and assuming that it represents some kind of innate mental power, Perkins redefines it as 'progressive problem-solving': the capacity to find our way around the realms of human thought and action. A powerful book which undermines the credibility of 'underclass' theories based on poor interpretation of IQ testing.

(*The Free Press, New York, 1995*)

Social network analysis
Stanley Wasserman and Katherine Faust

An intricate investigation of the various methods by which a social network can be determined and its effects on members analysed. The work makes a clear case for an analysis of social groupings by networks of social relations rather than viewing each individual as a separate entity, although it does not provide evidence of what network analysis can produce. Also has useful symbols to warn the reader of a statistical range, from simple figures to more advanced statistical methods 'only for the brave'.

(*Cambridge University Press, Cambridge, 1994*)

Beyond the threshold
Edited by Graham Room

A clear picture of the increasingly complex issues behind social exclusion analysis and notions of poverty. The wide range of papers covers

many aspects of social exclusion analysis and particularly stresses the dynamic nature of poverty. There are especially good contributions from Robert Walker on the need to analyse poverty over a longer time period in order properly to understand it and from Peter Golding on the need to take into account people's own perception of their situation when determining social exclusion. A good introduction for anyone who wishes to understand the broader context behind the issue of social exclusion and its impact upon society.

(The Policy Press, Bristol, 1995)

What community supplies

Robert Sampson

A superb book which both details the current debates on community and provides clear social policy based on logic and not rhetoric. Sampson provides a cogent critique of current and past thinking about the notion of community and highlights gaps in research which have, in his opinion, hampered previous debate and misled social theorists. His case for a mixture of top-down and bottom-up policies such as a crackdown on petty crime, or zero-tolerance policing, and the creation of mixed-income housing areas are strongly supported by empirical research, making for a very convincing argument.

(Brookings Institution, Washington DC, 1997)

Unhealthy societies
Richard Wilkinson

The premise of this book, that psycho-social processes can directly affect an individual's health, is a provocative notion which could lend much to the debate on social networks. However, Wilkinson seems to move between arguing that a lack of social contacts can lead to an early grave and that social inequality is the real killer. His resulting proposal, that governments should ignore economic doctrines of 'healthy competition' and try to create a more egalitarian society by income redistribution itself, depends on economic doctrine and ideology.

Ultimately, a more interesting debate about the impact of social networks on individual stress and health is touched on only briefly and overshadowed by Wilkinson's prior agenda.

(*Routledge, London, 1996*)

Social divisions: economic decline and social structural change
Lydia Morris

Morris examines the way in which social networks of friends and relatives have both affected and been affected by unemployment, using Hartlepool as a case study. She argues that a classification of social structures based only on occupational status is too narrow to explain why some people get jobs and not others. Morris presents statistical evidence to support her theory that social networks determine future prospects for men and women in both the workplace and the home. Morris provides convincing analysis of her assertion that exclusion from social networks and not laziness is creating an 'underclass', which is in turn distinctive for its lack of contacts, not culture.

(*UCL press, London, 1995*)

Responding to poverty: the politics of cash and care
Saul Becker

Becker argues that the concept of an 'underclass' has been emphasised by politicians in order to encourage among the electorate the idea that

the poor are 'undeserving', workshy and distinct from them, and so making 'welfare-to-work' schemes and benefit cuts acceptable. His call for politicians to adjust the language they use to describe poverty and to start consulting the poor on how to prevent destitution is slightly distracted by several chapters meticulously detailing social services' increasing separation from the middle classes, but still sounds virtuous. However, a final proposal for a national consultation on a minimum standard of living seems ill-designed and almost an afterthought.

(*Longman, London, 1997*)

Social class in America and Britain
Fiona Devine

Devine provides an interesting and detailed analysis of the class debate in America and the UK. In a comparison of the two countries and the differing theories applied to each, Devine provides much fertile ground for debate. She gives a new perspective on the stereotypes of a United Kingdom stratified by class and a relatively class-free America. The chapter on social exclusion presents an especially comprehensive analysis of arguments around the existence of an underclass in either country. A book which could be usefully read in tandem with the 'Urban Poverty and the Underclass' work on Europe in order to gain a wider perspective on issues of class and social exclusion in the Western world.

(Edinburgh University Press, Edinburgh, 1997)

Urban poverty and the underclass
Edited by Enzo Mingione

An examination of poverty in the ostensibly wealthy cities of Europe and the United States, coupled with a discussion of the social theories on the underclass and poverty which dominate contemporary thinking. Throughout the book, the authors argue against the notion of an 'undeserving poor', responsible for their own condition and, in the final paper, Mingione firmly advocates William Julius Wilson's theory

of the implications of urban poverty. A book which provides much effective evidence for its case.

(*Blackwell, Oxford, 1996*)

Class on the brain: the cost of a British obsession
Lord Bauer

Addressing a controversial subject, Lord Bauer challenges the idea that Britain is built around an exclusive class system. He argues the British are acutely aware of small differences, many of those related to what is conventionally called class, but that this is not the same as class barriers. A convincing and well-written argument that warns against creating a sense of exclusion where none exists.

(*Centre for Policy Studies, London, 1997*)

When work disappears: the world of the new urban poor
William Julius Wilson

An impressive account, by one of America's leading analysts, of social and economic marginalisation in urban ghetto neighbourhoods. Rather than focusing on poverty as a cause of exclusion, Wilson argues that the primary factor deepening the problems of such neighbourhoods is the disappearance of regular work. The movement of middle class black Americans towards suburbs has deprived ghetto neighbourhoods of vital social and cultural resources, leaving people struggling to cope with few positive role models and few ties to people beyond their immediate neighbourhood. Such experience does affect people's outlook but Wilson shows that the work and family values of the urban poor are essentially similar to their more prosperous neighbours.

Wilson's answers stress the importance of programmes and visions which are inclusive and wide-ranging rather than narrow and targeted. He recognises that the best chance for combating ghetto poverty comes from inclusion of the urban poor in wider programmes of job creation, rather than purely from income transfer. Wilson also recognises that

programmes of assistance must be made legitimate and calls for political visions which bring people together around common goals and benefits rather than emphasising difference. A powerful and increasingly influential book.

(*Alfred A Knopf, New York, 1996*)

Rethinking social policy: race, poverty and the underclass,

Christopher Jencks

Jencks is difficult to categorise: he once described himself as fiscally mildly liberal and culturally conservative. In Rethinking social policy, he takes apart conventional ideas on the underclass in America from both sides of the political divide, and shows that many policy initiatives have simply ignored well-detailed differences between groups of the socially excluded. A basic grounding in thinking empirically and without dogma that any trainee social policy analyst should read at least twice.

(*Harvard University Press, Cambridge, Massachusetts, 1992*)

Reviewed by Tom Bentley, Stella Creasy, Helen Perry and Perri 6

Facts

- One measure of poverty in Britain – the number of people with an income below half the national average – rose from 5 million in 1979 to 14.1 million in 1992–93.[1]
- **Around one in four of the British workforce experienced unemployment between April 1992 to October 1995. The comparable proportion for London was one in three, equivalent to around 1.4 million people.[2]**
- Fourteen of Britain's 20 most deprived wards are in the capital.[3]
- **The equivalent of more than one in six people received income support in 1994. Five years earlier the figure was one in ten.[4]**
- In 1994, more than one in two pupils in Lambeth, Hackney, Southwark and Tower Hamlets were eligible for free school meals. At 64%, the rate in Tower Hamlets was the highest of any local authority in the country.[5]
- **The number of applicants the Benefits Agency considered too poor to pay back a loan was 44,890 for 1992–93, rising to 116,095 in 1993–94.[6]**
- One in four British South Asians are self-employed, nearly twice the proportion of whites. Half of Pakistanis interviewed said they had turned to self-employment because of racism in the labour market.[7]
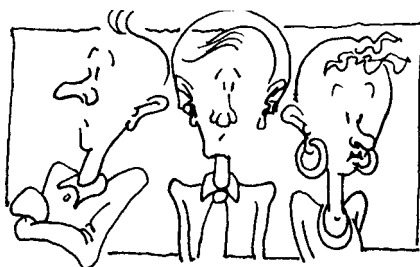
○ **More than 100 million people in industrial societies live below the income poverty line, set at half the median income; 37 million are jobless.**[8]

○ New Zealand, the United Kingdom and the United States all experienced good average growth during 1975–95, yet the proportion of the population in poverty increased.[9]

○ **Over a third of the European population believes that poverty exists. However, a third also say that nobody lives in poverty. In the UK, where the numbers in poverty have been growing fastest, the largest proportion of respondents deny there is any poverty 'in the area where they live'.**[10]

○ In 1979, 26% of EU respondents said the causes of poverty were laziness and lack of willpower. In 1993, that figure had dropped to 11%, and 40% cited 'injustice in our society' as a cause of poverty compared to 26% in 1979.[11]

○ **In 1990–91 some 98% of the poorest 20% of the population lived in households with a television, 84% had a freezer, 97% had a fridge, 72% had a phone, 72% had central heating, 59% had a video and 47% had a car owner or a van owner in the family.**[12]

○ In the 1980s, people living in the North of England's poorest 10% of electoral wards had death rates four times as high as people in the richest 10%.[13]

○ **A boy born in Harlem, New York, has less chance of living to 65 years of age than a boy born in Bangladesh.**[14]

○ 85% of employed men said that all or almost all of their friends were in work, compared with 32% of the unemployed.[15]

○ **85% of employed people said they had someone to rely on if they felt depressed, 74% knew someone who would lend them money and 42% knew someone who would help them find a job. 76% of unemployed people said they knew someone to rely on if they felt depressed, 66% knew someone who would lend them money and only 29% knew someone who would help them find a job.[16]**

○ 85% of those claiming supplementary benefit regarded receiving benefit as their right, but 40% were nonetheless embarrassed to claim.[17]

○ **A study of regional governments in Italy during the 1970s and 1980s found that those in the north performed better than those in the south, including in developing innovative daycare programmes and job training centres, and promoting investment and economic development. This was attributed to the external pressures on government created by dense networks of civic associations and citizen involvement in local public affairs.[18]**

○ A 1991–92 survey found that 49% of respondents in the United Kingdom, and 44% in the United States, felt excluded from public decision making that directly affected their lives.[19]

○ **A 1996 poll of European Union citizens found that 51% believe their governments should maintain current social benefits and protection levels, compared with 12% who think they should be cut considerably to enhance EU competitiveness in world markets.[20]**

○ Pupils who achieved no GCSE graded results in 1994 were highly concentrated. 20% were in 203 schools, which accounts for 6% of all maintained schools; 118 of these were located within two miles of one of 320 large deprived social housing estates.[21]

Notes

1. Edwards P and Flatley J, eds, 1996, *The capital divided: mapping poverty and social exclusion in London*, London Research Centre, London, 23. The report uses deprivation indices which attempt to summarise a range of indicators in the Index of Local Conditions.
2. See note 1, 40.
3. See note 1.
4. See note 1.
5. See note 1.
6. Kempson E, *Life on a low income*, Joseph Rowntree Foundation, York, 137.
7. Economic and Social Research Council, *Social integration and exclusion amongst British south Asians*, ESRC, Colchester.
8. UNDP, 1997, *Human development report*, UNDP, New York.
9. See note 8.
10. Room G, ed, 1995, *Beyond the threshold: the measurement and analysis of social exclusion*, Policy Press, Bristol, 214.
11. Directorate-General X, 1993, Eurobarometer, EC, Brussels, 222.
12. Wilkinson R, 1996, *Unhealthy societies*, Routledge, London, 46.
13. See note 12, 57.
14. See note 12, 158.
15. The Household and Community Survey 1987.
16. See note 15, 256.
17. Becker S, *Responding to poverty: the politics of cash and care*, Longman, London, 9.
18. World Bank, 1997, *World Development Report*, 1997, Oxford University Press, Oxford, 115.
19. See note 18, 111.
20. See note 18, 111.
21. Data from the Department for Education and Employment.

Demos news

Update

Demos has had a busy summer and autumn. Since the last collection we have made new appointments, expanded our research programme and become involved in a range of practical projects both in the UK and abroad. Work is currently going on with partners as diverse as the Danish Ministry of Social Affairs, the German parliament and city authorities from Austria to Finland. In the past few months, Demos reports have received media coverage in the United States, Canada, Australia, Italy, Portugal, Japan, Turkey, France, India and Brazil.

Publications

We have published a number of reports since the last collection, most of which have generated considerable public interest. *Britain*^{TM}: *renewing our identity*, by Demos researcher Mark Leonard, was the subject of intense media attention. Most of the daily press, a wide range of magazines from *Design Week* to *The Economist* and radio and television stations from around the world covered the report. *Escaping poverty*, in which Perri 6 explores new ways of looking at social exclusion, was also widely reported, with pieces in *The Guardian*, *Financial Times* and a host of specialist publications. Both publications are now being reprinted, as is a second edition of *Animal rights and wrongs* by Roger Scruton. Demos' anthology, *Life after politics*, has sold out its first print run.

Other recent publications include *Civic spirit* by Charles Leadbeater, examining the themes of community and mutuality, and *Holistic government* by Perri 6, arguing for a new approach to the structure and organisation of government.

This summer saw the publication of: *Turning the tide* by Jon Bright, which emphasise the need for preventive measures to curb crime; *Values added* by Ben Jupp and George Lawson, debating how changing values could influence the development of London; *Time out* by Helen Wilkinson and others, a detailed cost-benefit analysis of paid parental leave; *A piece of the action* by Charles Leadbeater, looking at new forms of employee share ownership; *Politics without frontiers* by Mark Leonard, making the case for transnational European political parties; and *Holding back the years* by Perri 6 and Diana Leat, arguing that care for the elderly should be based around the needs of older people rather than the short-term interests of service providers.

The autumn and winter schedules are just as packed. The best way to keep in touch is to call the office for a catalogue or to log on to the redesigned Demos web site at www.demos.co.uk.

Staff

Demos Director Geoff Mulgan has joined the Prime Minister's Policy Unit as a part-time adviser. While Geoff remains closely involved in Demos projects and strategy, many of his executive responsibilities are being covered by the new Deputy Director, Ian Christie, who has joined us from the Henley Centre For Forecasting. Among other initiatives, Ian will be looking to raise our corporate profile and expand our work on the environment. Helen Wilkinson is taking a year's sabbatical at the Families and Work Institute in New York, where she is helping to plug Demos into US policy debates. Annie Creasey, after sterling work as a volunteer, has joined us as a fulltime Publications Assistant. Perri 6 is now Director of Policy and Research. Helen Perry, Ben Jupp and Tom Bentley have all become Senior Researchers. George Lawson is now Communications Officer, handling media liaison, as well as continuing as a Researcher. Demos ran another successful

summer internship programme with six students joining for various lengths of time. Thanks are due to Kristen Lasky, Rachel Jupp, Simon Retallack, Stella Creasy, Matthew Creasy and Danny Kruger.

Research

Work on the Drugs project is coming to an end. The findings are being published by the Joseph Rowntree Foundation early in November. The project on Financial Literacy is also coming to a close – the results will be presented at a joint Natwest/QCA conference in November. The two year project on Privacy will be marked by the publication of a major book and project report scheduled for early next year. Before the end of 1997 Demos plans to publish Lord Freeman, the former Conservative Cabinet Minister, on *Democracy in the digital age*; Titus Alexander on *Family learning*; and Wingham Rowan on the case for new systems of exchange via *Guaranteed electronic markets*. Tom Bentley's book on active learning in the community will be published by Routledge next year.

New projects and proposals

We are about to embark on a two-year project funded by the Esmée Fairbairn Charitable Trust on the theme of 'Tomorrow's Government', which will lead to a steady stream of reports and seminars. We will also shortly be starting a nine-month project funded by CfBT Education Services on levels of trust and motivation among young people at risk of educational failure. Proposals are currently in development on trust in business, health care futures, state support for marginalised young people and the future of social care.

Work continues on job creation and cities. The first outputs from these programmes should be published soon by research associates Ken Wo pole, Robin Murray and Keith Collins. Ian Christie is working with the Anglo-German Foundation to set up an annual conference series on the policy challenges of sustainable development. Ian is also developing a proposal with Perri 6 for a major project on social capital.

Events

Demos held highly successful fringe meetings at all three party conferences. Shirley Williams, Frank Field MP, David Willetts MP, Vincent Cable MP, Will Hutton and Sheila Lawlor all debated the merits of Charles Leadbeater's argument, *Civic spirit*. We also hosted a joint debate with the Design Council at the Labour and Conservative Party conferences based around *Britain*TM. All the meetings were standing room only and both the BBC and ITV sent film crews along. Forthcoming events to look out for next year include a lecture series, possibly in association with *The Times*, and a major conference on 'the Future' in the spring.

Subscriber slot

As always, we are interested in what you have to say. There is a feedback slot on our internet site or you can write to us via the office. In particular, contact us if you have anything to contribute around the themes of our next two collections: 'Europe' and the 'Sustainability and the Good Life'.

Recent publications

Escaping poverty: from safety nets to networks of opportunity

by Perri (£7.95)

The author argues that government needs to recognise the importance of social networks for gaining long-term employment and escaping poverty.

Britain^{TM}: renewing our identity

by Mark Leonard (£5.95)

This reports sets out how we might rethink Britain's identity to reflect what Britain has become in the late 1990s. 'Detailed proposals for redefining Britishness … could become government policy' *The Economist*

Holding back the years: how Britain can grow old better in the twenty first century

by Diana Leat and Perri 6 (£7.95)

The authors make the case for a drastic change in the way care for the elderly is organised and financed, setting out a detailed programme to prolong active healthy retirement and postpone frailty and advocating

a devolved model of care. 'the most raidcal agenda' *Health service Journal*

Civic spirit: the big idea for a new political era?
by Charles Leadbeater (£4.95)

Across the political spectrum, the search is on for ways to pull nation and community together for the common good. Charles Leadbeater argues that mutuality is set to be the big idea that shapes politics in the years ahead.

Holistic government
Perri 6 (£9.95)

A detailed analysis of why the traditional organisation of government, by function and department rather than around problem solving, does not work. Sets out how to create a holistic, preventive and problem-solving government.