

# A social contract for the 21st century

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**On 29 March 2011, JRF held a day of debate about what the future holds for people and places in poverty and so for organisations like JRF which are trying to deliver positive social change. The aim of the day was to determine what big issues will need answering by 2015 and beyond, to gather and share insights about the changing context in which organisations such as JRF/JRHT operate, and to consider current and future forces that may affect their work. In this opening presentation, JRF Chief Executive Julia Unwin outlined some of the key challenges.**

Many of us came together in January 2009 at a similar event to focus on the wider global forces shaping the future. At that time, I talked about:

- the looming financial crisis;
- the imperative of climate change;
- the opportunities of changing demography.

I argued that each of these separately, and all of them together, would mean that communities will need to be more resilient – more flexible and adaptive, but still strong and focused – if they are to do more than just endure but also thrive.

We defined the issues then as ‘Global Challenges, Local Solutions’. Since then JRF has launched a number of major programmes, including those on:

- climate change and social justice;
- the future of the labour market;
- a better life for older people with high support needs;
- loneliness in neighbourhoods; and
- the future of the housing market.

We have also started to build at Derwenthorpe (our landmark housing scheme in York), are facing the challenges of the new Affordable Housing Framework, and have completed a transformation of our services for adults in our care homes. And we have kept a clear eye on changes to public expenditure and their impact on people and places in poverty.

But we now face different challenges, and new uncertainties.

JRF has defined its purpose – jointly with JRHT – to search out the causes of social evils. That includes:

- data collection and analysis;
- understanding and examining big complex systems;
- close and detailed exploration of attitudes, behaviours and aspirations;
- the lived experience of people using services; and
- the experience of people providing services.

We *search* for the evidence. But we also *demonstrate* – through our own services – in housing, in our development of new and untried approaches, in support to others doing things differently.

We do this to *influence* real and lasting change. Not change for its own sake, not because we are a permanent opposition but because – as the JRF’s founding memorandum says – we are entrusted with work that can ‘change the face of England’. And change is needed. The face of England – for us, now, the UK – is one on which deprivation, hardship, gross inequality and social injustice can be seen in stark detail.

While everything we do must inform and enable, it must also equip those who are in a position to adapt, amend and change. The roads to change have never led only to Whitehall or to Westminster. Policy and practice change requires influence at all levels – at local and central government, in the voluntary, corporate and public sectors, as well as influence in the population as a whole. We influence change in the way in which we run a care home, in our practice when we develop new housing, in the

way in which we communicate – always in dialogue, never broadcasting. We have never thought that influence is a linear process. It is always circular and always informed by learning, by experience and by evidence.

We do none of this alone. JRF and JRHT can fund, support, convene and commission. But we must always work with others.

So the purpose of today is to take stock. 'Time spent in reconnaissance is never time wasted,' as I believe they say in the army. For that reason today is an important moment in the JRF calendar, but I hope also an important event for all of you. I want to use this moment to give a warning. A warning that in times like these there is a risk that thinking is driven out, that values are obscured, that forward planning starts to feel like an impossible indulgence. But if we fail to plan, if we fail to look ahead, we fall into paralysis, and in so doing we would betray the communities that we exist to serve.

### **So where are we now?**

There are of course many things we don't know.

We don't know if the Arab Spring and the war in Libya are game changers – 'black swans' as Nick Taleb would describe it. Is it 1989 and the fall of the Berlin Wall again? I don't know and I suspect not many other people do either.

We don't know if the events in Japan are a devastating humanitarian disaster – but a one-off – or if they will prove to be something that will change all of our lives forever. Will they deliver a swift shock to global markets or knock the finance system off its axis again? Will they create short-term anxiety about nuclear power and make us switch to new forms of energy or drive us back to the old ones? Will we look back on this and think it changed our lives? I don't know and I suspect you don't either.

Will the 2011 Budget deliver growth in the deprived parts of the country, and lead us all to sunny uplands? Or will it herald a long period of decline? I don't know and, while I can guess what some people in this room think, we don't actually know for sure.

It has become fashionable to say that uncertainties are so great that we know nothing. That the outside world is so turbulent that we cannot possibly make predictions. I reject such lazy thinking: it's a recipe for paralysis which those in poverty simply cannot afford.

Because we know a great deal.

### **We know that we are moving from a long period of surplus to a period of deficit.**

We know that we face a shortage of money, fossil fuels, and that there will be higher costs for food, travel, services. For everyone in this room, and probably our children also, we face a future of deficit.

What does a period of deficit really mean? What does it mean to conserve time? Money? And carbon? What will a lower carbon future look like? What are the most economic ways of insuring against our long-term frailty and vulnerability? What sort of housing can allow people to live cheaply? What responsibility do we as providers have for tenants living in deep poverty because of their fuel bills?

And if growth is the only route out of deficit, how are we as organisations committed to ensuring that the poorest people and places do not continue to lose out? How do we ensure that growth – that all important response to the economics of austerity – does not compound the inequality and leave poor people behind?

If you listen to many commentators there is a sense that we can snap back to where we were before the global financial crisis. If we do that, we snap back to a world that is neither sustainable nor just. For JRF our investment in the future of both the housing market and the labour market is an attempt to contribute both knowledge and thinking to shape the future economy.

This long-term deficit will challenge – and rightly so – entrenched inequalities, long-standing ways of doing things, our habit of consumption, but it runs the risk of turning also into a *politics* of deficit. A mean-minded approach which sees society as simply a series of transactions, with no shared understanding of the common good. A defeatism that allows shortages to legitimise a deficit of imagination, of aspiration, of intelligence. Such defeatism would be devastating news for people and places in poverty.

### **We know that we face demographic change.**

We will all live longer, and that is grounds for massive celebration, and in itself a huge opportunity for positive change. It is one of the triumphs of our time, and provides us with untold opportunity. We know that in 20 years' time a quarter of the population will be over 65. We know that – unless medical miracles overturn this – the numbers of people with dementia will double. And we know that this means that our communities, and our country, will change and will need to change. It will not be possible – even if it were desirable – for all people with dementia to be in residential care. That means we will have to learn to behave differently. What does a good society look like when a quarter of us are over 65 and a significant, and growing, number are over 85? Does a good society choose to spend far, far more money paying for more and more residential care, and hope that out of sight is out of mind? Or does it invest in the neighbourhood support to recognise who is in need, to provide care differently? To address the loneliness that is so damaging to so many older people, probably even more damaging than the shortfalls in public services? What is expected of us in the new social contract when we know that we will have close neighbours living with dementia? What is the role of communities in preventing loneliness, that curse that is as harmful to older people as surely as illness and neglect?

We know too that for good and positive reasons we will have far more severely disabled people living amongst us. A generation ago people with some life-limiting diseases died at birth. Now they continue to live, and can thrive among us. What sort of society do we want to shape that will support, engage and value disabled people? What sort of workplaces will we devise that can allow disabled people to contribute – but also thrive?

So there are demographic changes in terms of age and of disability.

But demography changes in other ways too.

We know that migration will continue. Globalisation is not about to grind to a halt, our population will continue to be dynamic. We will be enormously affected by movements and changes in other parts of the world. The way we manage migration – the reception we offer, and the ease with which we

respond – will determine whether or not we achieve economic growth, whether we thrive or merely endure.

Our racially and ethnically mixed communities – a feature of the UK for decades – have brought dynamism and change to most communities across the UK. That's reality. Trying to base social policy on life as it is lived in *Midsomer Murders* is as absurd as making decisions based on the Baltimore depicted in *The Wire*. A TV fantasy version of England will not serve as a template for the multi-cultural, multi-racial, multi-faith United Kingdom we all live in. Arguing about whether that is or is not desirable is not the point. If we do, we are running huge risks.

### **And we know that the digital revolution has changed everything.**

In the early days of the web it used to be said that the Internet would change how we did things, and we hoped for paperless offices. How wrong we were. We didn't get rid of paper but other, unexpected changes have happened. It hasn't only changed how we do things, but it has changed what we do. Notions of expertise, of authority have been eroded (ask any GP); it has changed at a fundamental level the way we communicate and learn; and it has revolutionised our attitudes to privacy, both personal and institutional. It has changed patterns of consumption – of culture, of goods, of services – and changed our attitudes to providers as well as to our fellow citizens. We can lament some of these changes, but we can't halt them. We are better off engaging with them, learning what we can do differently because of them. Empowered citizens – able to communicate rapidly, with ready access to information previously held secretly – could provide a sounder platform for lasting social change.

Younger people speak digital. I, along with many others in this room, am learning a second language, slowly and painfully, but we know that our successors will not only experience across their lives the scar of 25 per cent unemployment, but will also bring a different set of ideas about deference, about choice – about the ways in which they respond to both opportunity and adversity.

So this much we know.

- We know we are facing a long-term **deficit** of money and carbon but not of ideas and skill.
- We know that we face **demographic** change that can add to tensions, increase burden, but also enrich, enliven, expand.
- We know that we live in a **digital** environment which can challenge, marshal evidence and make connections, but can also isolate, divide, entrench.

And we know that the policy environment – as currently constructed and likely to be influencing our deliberations for the next few years – throws up some interesting, and not necessarily readily resolved, dilemmas. For me these questions form the basis for the new, 21st century social contract, and the design and shape of that contract is framed by our answers to a number of quite simple questions.

### **The 21st century social contract.**

Where does responsibility sit between the individual, the community, the market and the state? The post-war settlement essentially provided a modicum of protection for the individual through risk-pooling and, over time, a number of significant and powerful institutions developed to deliver those

benefits. A great deal of political, policy and practice time has been devoted to shifting the responsibilities in one direction and another, but as we go into the second decade of the 21st century a rather more fundamental adjustment is under consideration.

I believe that this is the defining debate of the decade. And the way in which it is shaped will determine our lives for many years to come.

Where does responsibility sit? Is it the state, the market, the community or the individual who is responsible? Can the market deal with housing need and demand? Can good neighbours support us as we age? Given that we all benefit from the system of welfare support, is it right that particular behaviours are demanded of those who get direct benefits?

All these really fundamental questions are live at the moment, and there are no easy, pat answers. Service providers here, including JRHT, exhort community engagement, know that we can do little without it, and yet know that it is fiendishly difficult to plan for, let alone manage. Those of us exercised about how we will meet the costs of long-term care know that the answer to the question lies somewhere in that definition of where responsibility sits. Do we, should we, expect the state to carry the whole responsibility for our vulnerability?

### **What do we mean by local?**

For decades many of us in this room have argued for local self-determination. We have argued that place matters, that people identify with locality, that devolving power – subsidiarity – is right, proper and will deliver better outcomes.

And now, in England but also across the UK, we have governments that have seized on this idea. Is this a case of being careful what you wish for, you just might get it? Or is there something more profound in terms of the nature of the social contract for the second decade of this century?

### **What do we know about local?**

We know that social capital is unevenly distributed. And that just declaring something local does not make it powerful.

We know – as Frank Field said all those years ago when he was at CPAG – that the sharp elbows of the middle class may make some localities stronger than others.

And we know that strong communities may be impenetrable for people who don't fit in: for mentally ill offenders, for new migrants, for others against whom a community turns. Neighbourhoods can be kind, supportive places demonstrating the greatness of social solidarity – just as they can be mean-spirited, closed places in which difference and diversity are shunned.

None of this means that an agenda of devolving power to the local is a bad one; indeed we have argued for it for many years. But it does require different behaviours, different models: it challenges us all and will shape the next few years.

## **What do we mean by community?**

Community has also proved to be a slippery concept. Strong communities, frequently built on anger and resistance as much as mutualism and solidarity, have shaped the UK, and changed things. Whether you look at regeneration schemes, demanded by dispossessed communities, frequently fought for in the teeth of opposition, or at people in Bradford declaring that the English Defence League is not welcome, at community credit schemes and development trusts, or at the groups of older people that provide mutual support and services – there is evidence all over the place of powerful communities making change.

And yet, communities are only groups of ordinary people – people with the same frailties and pressures as the rest of us. What they are not, and have never been, is homogeneous remnants from a time none of us can remember. There is a hint of rose-tinted spectacles in the nostalgia for the times when the back door could always be left unlocked – there was always a woman in the kitchen, when lack of social mobility was the reason people rarely moved from their home town, when people with learning disabilities were shunned and put in institutions. A notion of community of the 21st century needs to be grounded in reality, in evidence about how we live now – not in some retreat from modernity.

## **Who is responsible?**

For us there is a deep irony in the fact that this debate is now so important. Most of us have never been ‘big state’ people. We have never believed that the state or government can ever be the answer to all social problems, important though it is. So, too, we have never believed that the voluntary sector can meet every need, important though it is.

What we do know is that the sectors are powerfully interdependent. That the care provided by the state is always supplemented by care from family, friends and neighbours. Children thrive in school as much because of the parenting they have received, the preschool playgroup they enjoyed, as because of the skilled teachers they encounter. That people find routes into work – and make that hugely courageous journey – in part because of the advice and encouragement they receive at their local church, in part because the market provides an opportunity, in part because a community centre starts to run a nursery, and in part because their benefits adviser encourages them. We know that the most deprived and difficult housing estates recover in part because of public funds and statutory intervention, but also because of the drive and determination of difficult, stropic, brave tenants. Co-production is not new to any of us.

We know a great deal about how we feed the springs of social solidarity – and we have, by default, learned an awful lot about how to destroy them. We know that mutuality can be encouraged or stifled, we know that some communities thrive and others die. We know that deep and rich networks of engagement between the state and individuals – the active role of civil society – can solve problems, identify solutions and make for real and lasting change. And we know a little, although we will find out more frighteningly soon, about what happens to communities that lose the financial support that maintained those networks. Some will do OK, I suspect; others will suffer massively.

As the boundaries are redrawn, and as we marshal our forces to cope with a changing future, there are fundamental questions that underpin everything we say and develop.

For JRF and JRHT as we think about our own future, and the contribution we can make, there are a number of constants:

- a persistent and permanent concern about what is happening to people and places in poverty;
- a recognition that change is only achieved by the combination of networks of people, and movements of institutions;
- an understanding that we need to protect as well as to change.

One part of the wall of this room displays a poem, 'Waiting for the Barbarians', written in 1904, the same year that Joseph Rowntree wrote his founding document. But JR is not the poet, Cavafy is. Cavafy describes a town threatened by barbarians. He describes how fear of what is to happen closes down the small town. The orators stop declaiming, the poets stop writing, people hide away and the marketplace empties. The barbarians are coming and there is no point in any creativity, any beauty, and any values. No point in enterprise. No point in education. But the poem concludes, once the word has come that there are no barbarians:

'and now what shall become of us without any barbarians?

These people were some kind of a solution.'

It seems to me that the biggest risk we face is to see the outside world as so frightening that we allow it to paralyse us, and therefore step back from our historic role of speaking truth to power, and making sure that the social contract for the 21st century is one that allows us to describe clearly the social good that JRF and JRHT were established to promote.