

Conservatism and an end to poverty

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Conservatism is not an ideology associated with analyses of poverty. Its dictionary definition is resistance to change, and those resistant to change are most happy with the status quo, and unlikely to be in poverty. Conservatism is also reactive, concerned with questioning innovation rather than identifying and correcting social problems.

Nevertheless, the issue of poverty is an opportunity for conservatives. Conservatism's focuses on the effectiveness of policy, plurality of value, localism and the importance of meaningful institutions suggest that it has something important to say, even if only as a corrective to misguided and uncritically accepted policies.

What is conservatism?

Defining conservatism is surprisingly hard, and various supposed or self-described 'conservatives' have adopted incompatible positions in recent years. 'Conservative' means more than "right-wing". I shall focus on the classical conservative tradition, whose key text is Edmund Burke's *Reflections on the Revolution in France*.

Uncertainty, knowledge and change

The key concept here is uncertainty: the conservative claims that rationalist ideologues cannot know what effects their policies will have. The first principle upon which conservatism is based is the knowledge principle. Because society and its mediating institutions are highly complex and dynamic with natures that are constantly evolving, both data and theories about society are highly uncertain.

That in itself says nothing about change, but if we add to the mix a consideration of risk we get the second principle of conservatism, the change principle. Because the current state of society is typically undervalued, and because the effects of social innovation cannot be known fully in advance, then social change must always risk destroying beneficial institutions and norms, and cannot be guaranteed to achieve the aims for which it was implemented. It therefore follows that societies should be risk-averse with respect to social change, and the burden of proof placed on the innovator, not his or her opponents. It also follows that change, when it does come, should ideally be incremental, reversible where possible and rigorously evaluated before the next incremental step.

From these two principles, many things follow, including the conservative emphasis on authority, tradition, social stability, the rule of law, sound money, personal responsibility, conformity to norms and plurality of values. Much social wisdom about how people coexist, cooperate, allocate resources and settle disputes is encoded in the traditions and institutions of a society, and is rarely formulated explicitly. Changing or abolishing institutions and suppressing tra-

ditions and practices therefore risks destroying intangible social resources. On the other hand, conservatism does not condemn change; the two principles just described merely shift the burden of argument. Change is more desirable when the state of society is less satisfactory, and therefore when the risk of change is relatively small. Burke wrote: "To make us love our country, our country ought to be lovely." The loveliness of a country is surely inversely proportional to the extent of poverty within it.

Conservatives therefore reject universalist ideas about "humanity"—humankind is an abstraction, but real people are situated in contexts which matter to them. Theories of universal justice like that of the political philosopher John Rawls ignore the things that matter most to people, their specific circumstances, family, friends, religion, job, gender. People do not have a defined identity, but their identities certainly matter to them and are deeply entwined with significant contexts in their lives.

However, it is important for those making decisions about a society to understand it. One must be realistic about its faults. Data and information are uncertain, yet also necessary; they need to be interpreted carefully. Most important are consistent series of data that can be used to understand the effects of policies over time. Yet Conservative governments have often neglected data collection—Margaret Thatcher's government cut funding for the statistics office, which she later regretted, while the current coalition government has also cut back on data collection. We have lost surveys on local services and community cohesion, on drinking and drug taking among children and even the national census. Local councils, too, spend much less time consuming data. At a time when "big data" is revolutionising science, business and social policy, UK governments are in danger of finding themselves in a position of almost total ignorance. The knowledge principle tells us that government policy will be even less informed than usual—and the consequences of that policy will therefore be even more unpredictable.

Unintended consequences

It will always be impossible for policymakers to determine what their policies will achieve. This is the problem of unintended consequences. This is especially tragic for the poor, who are often harmed by half-baked interventions. Free-spending governments often spark inflation whose malign effects hurt those at the bottom of the pile; when a pound buys less, those with fewest pounds suffer most. In Latin America, the poor will turn against a politician who can't control inflation, which is why the populist Argentinian President Cristina Fernández de Kirchner has gone to absurd lengths to falsify inflation figures.

When it became independent in 1957, Ghana was as well-off as South Korea. However, misguided western-influenced post-colonial ideology, intended to make the nation self-sufficient and to eradicate poverty, put it at an enormous disadvantage. The Koreans, in contrast, went down the capitalist route with relatively few safety nets for the poor. The result? The gross national incomes per head of the two nations in 2011 at purchasing power parity were \$1.8k and \$30.3k respectively. India's economy and politics are hampered by concern for the relief of poverty, which remains stubbornly high. Meanwhile poverty has declined rapidly in China since Deng Xiaoping instituted the "socialist market economy". Its rough and ready capitalism has brought 680m people out of extreme poverty since 1981, and now generates sufficient surpluses to put in place, for the first time, decent healthcare and pensions.

There are many examples of ill-conceived policy in the major democracies having unintended consequences. The push to sell subprime mortgages in the United States was driven by politicians of the left who wished, for entirely compassionate reasons, to get poor people on to the bottom rung of the property ladder. A flood of misdirected mortgage credit from government-backed lenders Fannie Mae and Freddie Mac was unleashed by members of Congress concerned about stagnating incomes among the less well-off.

Another example: "sin taxes" are designed to make people live longer and healthier lives, but when the price of a packet of cigarettes goes up, the poor suffer most. Cigarettes provide a social bond—a shared cigarette is often a focus for interaction and conversation across classes and social groups. Furthermore, high prices of fags and booze have helped drive thousands of pubs out of business; but pubs are useful meeting places and support diverse social networks (that is why pubs nowadays only thrive in soap operas). Those heterogeneous social networks stifled by health campaigners can be useful in ameliorating the effects of poverty. Wide and diverse networks are correlated with higher income.

The seven deadly sins of poverty policy

Adam Smith was, according to Emma Rothschild, "tolerant in his view of government interference, especially when the object [was] to reduce poverty". However, the knowledge principle implies that it is impossible to know whether some policy will have all and only the desired effects. Here are seven sins of poverty policy.

Calls for redistribution

Taking money from those who have it and giving it to those who do not may seem a no-brainer, until we consider potential unintended consequences. Capital taken from its owners might alleviate poverty temporarily; yet left with its owners, it might be put to productive use funding permanent jobs. The net effect of redistribution might be to put people out of work (either by moving capital to a less productive area, or by incentivising investors to leave the economy altogether), thereby exacerbating the problem it is intending to address.

Ignoring personal responsibility

People the best judge of their present and particular needs, so interference in their decisions should be sparing. This is important to reduce moral hazard, where people indulge in riskier or less productive behaviour because they know that they are likely to receive support if the risks don't pay off. Individuals should make the decision about whether to risk their current assets, but in most circumstances should shoul-

der the burden of risk. That does not mean that risks cannot be socialised, but we must avoid unrealistic discounting of risk and subsequent transfer of resources from the prudent to the reckless.

Welfarism

The valorisation of personal responsibility entails a mistrust of unconditional transfers to the poor. At a certain level of income it becomes rational not to work, which is hardly sensible. We should reject the canard that people on benefits prefer that way of life, but many find themselves in a trap in which extra work will affect them negatively. Being sheltered, or trapped depending on your point of view, by an impersonal system is neither pleasant nor empowering. An important strand of conservative thought has documented the ill effects of welfare on the poor.

Ignoring local norms and existing identities

Surely no-one would maintain that "the poor", despite always being with us, form a homogenous group with a single set of interests? Yet that is how the welfare system treats them. Poverty has multiple causes and multiple forms. Conservatism finds meaning in the local and the situated, not in some abstract statistical characterisation which draws an arbitrary line at earnings of, say, \$2 per day or 40 per cent of median income. Experiences of poverty, and solutions to the problem, will vary across communities depending on the traditions, institutions and communal resources (economic, social and intellectual) to which a poor person has access. Furthermore, these traditions will be an important aspect of a person's identity, and even if they are mutable, it is not the business of government to change them.

The implication is that localism should loom large in the search for acceptable means to address poverty. Giant, faceless bureaucracies are more likely to suck the humanity out of communities than to provide welcome support. They are more likely to dismantle local identities and to treat poor people as rational utility maximisers to be "nudged" towards a particular kind of lifestyle. It also means that links and communications should be fostered between different communities—the function of bridging communities or brokering between different attitudes is vital for genuine understanding of the problems associated with poverty, and construction of solutions that might help. It should also be pointed out that if that bridging role is not occupied by reliable people, the vacuum can be filled by malevolent forces, such as loan sharks, who can exploit the short term needs of the poor to their longer term detriment.

It is also worth pointing out that the same is true of private sector attempts to address poverty by improving the economy. Microlending has been an important innovation, while decisions to lend money ought always to be taken by a person with experience of a local context who can size up a commercial operation or an individual's financial situation. Lending decisions made by algorithms in large banks rather than people in small bank branches, allocate money much less safely and productively.

Paternalism

If we accept local norms, then we should eschew paternalism. Paternalism often arises when those on the left are frustrated at the failure of anti-poverty strategies—the poor are blamed, not the policies. Labour politicians complained about Britain's "vulgar" 1950s consumer boom, despite the widespread dissemination of labour-saving devices which liberated a generation of women from drudgery. Even after

Thatcher, the social policy expert David Piachaud was arguing that "many people are impoverished by their own behaviour and their own patterns of spending", citing "heavy smoking, drinking or gambling" and "ruinous video games" as examples. He suggested the bizarre policy of "invading consumer sovereignty" in order to "[give] people greater control," which is greater control in the sense of not being able to do what you wish.

Ignoring wider legitimacy

Transfers of resources from the relatively well-off to the poor have to be democratically legitimised, ideally by a politician standing up and making the case, risking rejection at the ballot box—something few politicians have dared to do for some decades in the UK. Redistribution of wealth "on the sly" can only end in tears. There are three likely outcomes.

First, those who believe they make a net contribution without being consulted will become angry, leading to unpalatable and usually false myths about the "feckless poor" and benefit cheats. Indeed, the closer one is to the possibility that one might need benefits in the future, the angrier one is likely to be; the left has always struggled with the undeniable fact that those most irritated by alleged welfare "cheats" are often disadvantaged themselves.

Second, the relatively well-off will use their greater numbers and greater propensity to vote to co-opt the system and milk it for themselves. Education and pensions are areas where one suspects the poor get an especially raw deal. It is a reasonable hypothesis that the serious waste in welfare, both in terms of needless use of government-funded services and of evasion and fraud, is down to wealthier citizens, not those in poverty.

The third possibility is the New Labour solution of bypassing taxpayers by borrowing the welfare money, which is fine until the economy is bankrupted (when the money then has to be clawed back to pay interest to rich investors), and which anyway is less useful than borrowing to invest in infrastructure and education.

Universal, bureaucratic solutions

A faceless national bureaucracy is unlikely to provide the help that the poor need, because the poor are not homogeneous. It is also unlikely to weed out fraudsters, which requires a nimbleness it will not have. However, it will be set up to deter fraud, and therefore simply repel or confuse the majority of honest folk who it persists in viewing as helpless supplicants. The chief beneficiaries of a faceless bureaucracy are faceless bureaucrats, who become a political grouping with their own interests and claims on government resources. The poor are short of money, not stupid, and they understand this. It should be no surprise, therefore, that many view the welfare state not as a benign benefactor, but as a nut to be cracked.

Small-scale schemes are far better. Something that works in a council estate may not work in a crowded immigrant-dominated neighbourhood or in an area of rural deprivation. Even a major success such as the conditional cash transfer scheme *Bolsa Família* began as a small-scale experiment. Local people understand context, and the poor understand most about what they need. Such people need power and respect, not handouts.

To avoid these seven sins, conservatives should argue for more power to the poor, less interference and fewer unconditional handouts.

Conservatism, rooted in respect for the local and the situated, and sensitive to the complexities of real-world con-

texts, is well-placed to contribute to debates on the conceptualisation and measurement of poverty, and to criticise some of the more abstract line-drawing exercises. However, as noted earlier, conservative voices are rarely heard. Adam Smith's interest in poverty was already being airbrushed out of accounts of his philosophy as early as 1800.

I will now briefly discuss three well-known distinctions, arguing that conservatism offers distinctive accounts of them.

Absolute versus relative poverty

One thorny issue is the distinction between absolute measures of poverty, in terms of a particular amount of money or a quantity of wealth or goods below which one is counted as "poor", and relative measures, for example as a proportion of median incomes. Perhaps the most stark statement of the importance of absolute measures is Keith Joseph's famous declaration, in 1979, that "An absolute standard means one defined by reference to the real needs of the poor... By any absolute standard there is very little poverty in Britain today."

This statement was influential, partly because Joseph seemed to be sketching a route-map for the then-nascent Thatcher revolution. Yet even though he had spent some time on a Quaker project living with miners in Rotherham, he had an abstract and statistical view of poverty, and found it hard to empathise with the everyday demoralisation of the able-bodied poor. The association of conservatism with absolute conceptions of poverty has remained strong. Many have complained that Conservative governments have used Joseph-style arguments to airbrush the phenomenon away.

However, the Burkean tradition is sensitive to the state of society as it stands, not as we might like it to be. Key indicators evolve—the modern suburbanite leads a millionaire lifestyle compared to his or her postwar equivalent, while what was considered a comfortable existence in 1945 would be intolerable now. For example, it is virtually impossible to imagine life without a fridge in a modern democracy, whereas as late as 1970 40 per cent of the population managed without one. Even Thatcher argued that "Capitalism works by increasing what used to be the privileges of the few to become the daily necessities of the many."

This view of the changing nature of necessity has been evident within the conservative tradition since the beginning. Smith, for example, was quite clear about it: "By necessities, I understand not only the commodities which are indispensably necessary for the support of life but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without. A linen shirt, for example, is strictly speaking not a necessity of life... [b]ut in the present time... a creditable day labourer would be ashamed to appear in public without a linen shirt."

Conservative attitudes to inequality are nuanced. Some commentators have claimed that the preservation of inequality is central to conservatism. This cannot be correct. Conservatives do not recognise inequality as intrinsically evil, but different societies have different tolerances—a level of inequality acceptable in the US may be unconscionable in the UK, never mind Sweden. Not all inequalities can, need or should be addressed in politics. Even if we accept, as Ruth Lister has put it, "the importance to children and young people of clothing as an expression of their emergent identities", it cannot be the job of the taxpayer to furnish them with acceptable designer gear—especially as in a consumer society stigma can attach not only to the goods one consumes but also to how one comes by them.

Some levels of inequality may be argued to be a social

problem. The dust hasn't settled on the evaluation of Wilkinson and Pickett's influential book about inequality, *The Spirit Level*, but their evidence, if substantiated, would have to be taken seriously, while other researchers have found that inequality may induce dangerous patterns of debt and leverage. Higher levels of inequality undoubtedly make it harder to reduce extreme poverty. So the conservative should assess inequalities on a case-by-case basis, to understand whether, in a particular context, social stability is threatened by inequality at particular levels.

Money versus status

The truism that poverty is a lack of money seems to coarsen the issue. To focus on the quantity of money to which a person has access will tempt us into some of the seven sins. For instance, the fungible nature of money could lure the unwary into an arbitrary, context-independent "cut-off", which would lead to pointless debates about whether someone on £50 per week is or is not poor, ignoring the question of whether he or she lives in London or West Belfast, is disabled or not and has a particular level of education. Furthermore, when such definitions are incorporated into policy, the consequences of earning £50.01 as opposed to £49.99 can be enormous.

There have been a number of alternatives proposed, most notably by Amartya Sen, who follows Aristotle in arguing for a focus not on income but "capabilities". This is a salutary perspective, sensitive to the idea that different people value different things and different things are required for "creditable people" in different cultures.

Nevertheless, although Sen's arguments are important, we cannot define poverty independently from levels of wealth. Someone who is incapable yet wealthy is no doubt in an unfortunate and unenviable position, but is certainly not poor. It also threatens to nullify the notion of poverty, since "capabilities" and "opportunities" can be defined and discussed in many ways. After all, everyone is denied some opportunity at some point in their lives.

Yet the distinction is always worth bearing in mind. Poverty is bad because it brings with it a lowering of status and a lack of respect. The low-paid person often becomes invisible. Poverty brings needless expense—the inability to buy cheaply in bulk, difficult commutes, complex transport arrangements, the inability to save. As the singer TV Smith put it, "It's Expensive Being Poor".

Many issues surrounding poverty could at least be ameliorated by increasing the respect afforded to the poor, and empowering them to make decisions and craft their own solutions to the problems as they perceive them, rather than simply transferring money. The welfarist solution to poverty does precisely the opposite, cheerlessly doling out money to no obvious purpose in a setting so mechanistic and dehumanising that recognition and respect are the last things one is likely to feel.

So conservatism should be well-placed to interpret and support the aspirations of disadvantaged groups and individuals. However, since the general election of 1992, the Tories have been largely absent from our inner cities. Given that many successful initiatives to ease poverty—whether carried out by charities, community groups or churches—are often conservative in spirit, focusing on personal responsibility, respect, "taking control" and avoiding blunt bureaucratic solutions, one feels this is an opportunity missed.

The lack of empathy that Conservative politicians have with the poor (who would never vote for them) is surely responsible for unnecessarily brutal policy ideas intended pri-

marily to balance budgets rather than to help people out of a fix. It is hard to see the "bedroom tax", or a benefit cap insensitive to variations in property prices, as anything other than kicking people who are already down. It is essential for the government to bring down the UK's spiralling debts, and preferably to eliminate them. Welfare spending will have to be squeezed alongside everything else. However, this could, and should, be done sensitively, and preferably at a local rather than a national level.

Deserving versus undeserving

Conservatives certainly have form with regard to the idea of the "undeserving poor". Personal responsibility is important, but all too often Conservative politicians find the path of least electoral resistance to lie in demonising the poor as welfare scroungers (they are not alone in this: Labour has done its share of populist pandering). This is a shameful practice, but we should bear in mind that parties indulge in it because they see electoral gains in doing so. They go where voters lead them.

The notion of desert is important for democratic legitimacy. If money is transferred from taxpayers on the basis of need, there will be inevitable calls for control and conditions. It will be visible if welfare is "frittered away" on cigarettes, smartphones or satellite television subscriptions. Even some Labour politicians, like Frank Field, believe that a contributory principle is more just. And although Chris Mullin bizarrely blamed the "benefit culture" on the Thatcher decade, he still argued that it was real: "It hangs around our neck like a huge albatross," he said, and we are "destined for ever to go on manufacturing sullen, indifferent, useless youths; pouring [money] into a bottomless pit."

The idea of transfers based on need will, in the minds of taxpayers, raise the question of what "need" is exactly. Welfarism encourages this, and governments respond with benefit caps, workfare schemes, anti-fraud devices and other ways to push the poor around to please disaffected taxpayers.

It is far better to try to create opportunities. Translation roles, such as brokering between communities and government, and bridging between different cultures, are important. Training and education are vital functions of government. Spending on infrastructure is helpful too: for the equivalent of the staggeringly high sum being spent on the High Speed Rail link, many local rail, bus and tram networks could be improved or updated, making it easier and cheaper for people to find and get to work. Unhelpful Victorian ideas about the deserving and undeserving poor disappear when a politics of support, recognition and agency replaces bureaucratic redistribution.

The role of the market

Conservatism is not slavishly devoted to free markets as the only, or most efficient, method of resource allocation, and it does not advocate marketisation where markets did not exist before without careful study and analysis. Although markets can undermine social stability, conservatives admire them and support them where possible.

Smith understood that markets operate in a context and depend on many other social structures (for example, the rule of law and widespread social trust). More modern thinkers, whether neo-liberal free market evangelists or market-bashing anti-capitalists, are far less sophisticated. Right-wing economists ignore the social context of markets while sociologists of the left fail to see the value they add.

Markets are important for several reasons. First, we

should reject the charge that they promote selfishness. It is true that markets do not prevent people acting in self-interest, but that is not the same thing as selfishness. Selfishness will cause a market to fail, because to succeed you have to do what someone else wants doing. You have to make yourself useful to someone else, otherwise nothing will come your way. You have to be other-directed. You have to think of others to prosper. Markets promote sociability, not selfishness. Compare a transfer system, where one is not obliged to think of the needs of others or a planned economy, in which political lobbying of producer interests replaces demand and supply.

Second, markets may not allocate resources perfectly, but they do do it well. An aid programme can't necessarily get mosquito nets where they are needed, but the free market in books managed to get the latest Harry Potter volume to devotees within minutes of its going on sale at midnight. If we assume that smartphones might be useful to the poor, could any system other than a free market ensure that 36 per cent of Americans with less than high school education, 43 per cent of those earning under \$30,000 a year and 77 per cent of 18-29-year-olds earning under \$30,000 possess a smartphone? Any government-sponsored effort to get smartphones to the young or poor would miss the target and subsidise middle-class expenditure that would have happened anyway, and also inhibit technological innovation as companies stopped competing on services and began reaping oligopoly profits from a dozy government department with a budget to spend.

Third, markets require trust to operate properly. Trust is a useful habit, closely related to social capital; the ability to trust enables cooperation and reciprocity. It does not come naturally, especially when the risks of trust are high. Free markets help coordinate the rewards for trust and trustworthiness.

Fourth, the free market allows people to spend their money wisely or unwisely, and no doubt results in some people being fatter, less healthy, and less edifyingly entertained than others. On the other hand, it does pay people the courtesy of respecting their autonomy. Any other system ultimately diminishes autonomy, telling people what they need and giving them what they should have. Sometimes this is important for social reasons—many areas thought to be intrinsically valuable (from the production of French cheeses to healthcare to the preservation of art and ancient monuments) are often insulated from market forces. There is a political argument to be had over which goods should be allocated by free markets and which not, but if there is to be liberty and autonomy in a society, free markets are an essential part of the mix.

Finally, markets are the most reliable source of the economic growth that has seen the number of people in poverty in the world halved since 1990.

In many ways, the problem of poverty is to identify who needs which resources to pursue their own aspirations and projects, and then to target and distribute resources appropriately. Targeting and distribution is what free markets do well—it is important not to neglect their capabilities.

Conclusion: empowerment

Tackling poverty is not the process of getting a fixed list of resources into the hands of a passive group of supplicants. The inevitable failure of such a process leads to the normal frustrated paternalist scorn for the supplicants who, either through ingratitude, ignorance or fecklessness, have frittered the resources away before they improved themselves sufficiently to take their place as fully-fledged "stakeholders" in society. This is a fundamentally corrupting and disrespectful view which is almost designed to alienate the poor.

Ultimately, conservatism is about taking power from governments and giving it back to people, not as individuals but in their community settings. Empowerment can take many forms. Support needs to be personalised and targeted, and technology can be an important aid to this. Local solutions, including payment by results to allow experimentation and innovation, need to be tried. The tools for self-government should be provided, including open data to allow community groups to understand and negotiate their own environment more fully. Indeed, some techno-optimists, such as the Conservative MP Douglas Carswell, foresee government withering away and civil society stepping into the breach.

Such an outcome is unlikely. But there is much to be said for supporting poor communities and devolving power. To understand a community, one needs to be involved in it. Old-fashioned welfare provision often involved building a concrete bunker and plonking it down in a shopping centre—the poor would go in and out and interaction would be minimal. New-fangled welfare is now online, and the human element has shrivelled still further. We need data, which makes the government's neglect of data collection so regrettable. But data is only one half the story. The qualitative side of the story is also important. Lines of communication need to be opened between policymakers and those who live or work in disadvantaged communities or campaign for disadvantaged groups.

There are many means of tackling poverty. Most of them involve leaving people alone to make their own decisions about how to earn money and to provide an infrastructure to support their decisions where necessary. For the conservative, societies are vulnerable to interference. People understand their own situation. Outsiders don't.

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