



## Social Impact of Poverty and Inequality in the UK – a challenge to the church<sup>1</sup>

### 1. Introduction

In 2020 the average family's standard of living is predicted to halt its current decline. For those in poverty the decline is expected to continue until 2022. The standard of living of those in the top 10% of earners has not declined post recession nor is it predicted to.

Almost one in four of the UK population, 13.5 million people, currently live in poverty<sup>2</sup>. One in three of the UK's children - 3.8 million - live in poverty. The economic and political climate means that all predictions are that these numbers will increase. The Church's mission over the next decade will be against a background of increasing poverty and increasing inequality.

The Vision2020 Statement 9 makes clear that the URC continues to view justice to the poor as a core part of Christian mission. It is clear from the experience of churches working in deprived communities that, while poverty is often hidden and misunderstood, it continues to prevent many from fulfilling the potential that God has given them. As Christians we are called to stand beside those in poverty as well as challenge the structures which allow poverty to persist.

The joint URC Mission Council/Methodist Council of November 2010 expressed concern over the effect of the changing financial climate on the levels of poverty and inequality in the UK in general as well as a very particular concern that changes in public spending would impact badly on the lives of the poorest and most vulnerable in society. Mission Council also adopted two resolutions at their meeting in May 2011 expressing concern about the impact of cuts to legal aid on asylum seekers and the reforms to the disability living allowance on people with disabilities.

This paper analyses these concerns in the light of current social policy reforms with a particular focus on the impact of these reforms on the most vulnerable members of our society. It provides an in-depth analysis of poverty and inequality issues in the UK, some theological reflection on justice, and proposes further actions to enthuse and equip congregations to continue the vision of being a church that "keeps faith with the poor and challenges injustice".

### 2. Experiences of Living in Poverty in the UK

The "Glasgow Poverty Truth Commission" reported in 2011 and is a ground breaking piece of work instigated by the Church of Scotland. It sought to provide a forum where decision makers met with people who were living in poverty. They met as equals and the format of the meetings

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<sup>1</sup> Report updated and adapted for the URC from the report entitled 'Of Equal Value: Poverty and Inequality in the United Kingdom' adopted by Methodist Conference last year – see <http://www.methodistconference.org.uk/media/41199/11-poverty-and-inequality-0511.pdf> for details

<sup>2</sup> The figures given in this paper for numbers living in poverty use the international standard definition of poverty which is "a household income that is 60% or less of the average (median) societal (in this case British) household income". See [www.poverty.org.uk](http://www.poverty.org.uk) for further details of poverty measurements.

ensured even though people came from very different backgrounds sufficient opportunity was given for everyone to be listened to and understood in an atmosphere of respect. The finding can be studied on the website [povertytruthcommission.blogspot.com](http://povertytruthcommission.blogspot.com) but much of the thinking can be summed up in their phrase *“Nothing about us without us is for us.”*

Church Action on Poverty has for a number of years worked in disadvantaged communities and held hearings and other projects designed to allow the voices of the poorest to be heard. Below are a sample of statements and quotations which they have collected during this work.

Poverty is:

- going without a winter coat so you can afford them for your children;
- having to decide whether to eat a meal or heat your house;
- never being able to go on holiday or get away from home for even a day;
- not being able to buy a cup of tea in a cafe, or catch a bus to visit family;
- paying £800 or more to a legal loan shark, for a washing machine that would have cost a wealthier person just £100;
- waiting ten years for your house to be repaired, then being told there’s no money to do it (in 2011 this happened to a whole community in Collyhurst, Manchester);
- having no say in decisions that affect your community, but seeing ‘regeneration’ imposed from outside by companies and councils;
- not just experiencing these things once in a while, but facing them every single day.

Statements from people about their own experiences of poverty:

- “It is embarrassing being in poverty. To be poor is to be written off.”
- “Poverty is... wondering if you can take the night bus... having no music... carrying heavy bags with food in to save fares... being unable to afford magazines, books, a camera, film... living with badly designed equipment... waiting for any of the reduced items in Sainsbury’s... being given endless bowls of soup and cups of tea when what you want is a proper meal.”
- “Poverty is a 17-year-old who can never afford to go to a disco.”
- “Poverty means having no choice. If you’re lucky you can afford the cheapest things.”
- “Poverty is not only about shortage of money. It is about rights and relationships; about how people are treated and how they regard themselves; about powerlessness; exclusion and loss of equity.”

One of the most troubling aspects in debates about issues relating to poverty is the absence of the voice of the people who experience poverty. It would be unthinkable to reform the banking industry without banking experts and representatives of the industry being involved at every stage and in every part of the public debate, yet in debates and policy making around poverty, those with real experience are kept very much in the periphery.

The current economic climate means that the spending on welfare and public services is being scrutinised to a degree not seen in a generation. The church has a role in ensuring that the voice of the marginalised is heard and in challenging half truths and ill informed speculation. It is a role we have long performed, but if a just settlement is to be achieved it is one that has renewed importance.

### 3. The Economic Climate

The consequences of the recession following the banking crisis of 2007 continue to dominate the political and economic climate. By the end of the recession period in 2009, the economy had contracted by ~6%, and Government tax income fell rapidly. As the Government's income fell so its borrowing increased; to levels much higher than before the crisis.

All major political parties wish to reduce the amount borrowed each year to a much lower level. However, controversy exists as to how quickly this should be achieved and what balance of taxation and spending cuts should be used. The Coalition Government's stated aim is to reduce the "structural deficit"<sup>3</sup> to zero and the mechanism it has chosen to achieve this is one fifth tax rises and four fifths spending cuts.

The position of the URC and other major denominations has been that these judgements are party political matters, properly made by elected representatives, whose decisions are informed by both evidence and political ideology. The Church has spoken out, however, where changes to government policy disproportionately affect the poorest or most vulnerable. The reduction of borrowing should not be achieved by increasing poverty and inequality or by targeting services relied upon by the poorest. It is also important to resist attempts to misrepresent and stigmatise the poorest and least powerful in order to justify decreasing the assistance given to them.

This year the Government's annual borrowing remains at much higher than pre-2007 levels - approximately £150 billion per year. The Office of National Statistics estimates the total national debt as of January 2011 to be approximately £1000 billion excluding the banking sector interventions, or £2,200 billion including banking sector interventions. Assuming the nationalised banks can be sold at a later date the £1000bn figure is the most relevant. Although it is a huge number, it is not exceptional relative to the size of the economy when compared either historically or internationally; but it is high by recent UK standards.

There is a very wide debate around the future of the national and global economies. There is a view that the financial structures that were in place prior to 2007 require change to encourage stability and to lessen the obvious injustices. People of faith all over the world continue to encourage and add to this debate, but the urgency of immediate financial problems has tended to take precedence in the agendas of policy makers. It is important that churches nationally and locally continue push these seemingly less urgent, but ultimately more important questions.

### 4. Post-recession trends in poverty and inequality

The effects of recession took time to reach ordinary people. The temporary reduction in VAT to 15% alongside reduced interest rates initially meant higher standards of living for many with middle incomes. This was not the case for the poorest. Those whose income comes from investments, including many pensioners, saw their disposable incomes reduced. The other group who quickly found themselves in difficulty were those with unsecured debt, as the interest they paid on their loans increased sharply. However the effects of the recession began to effect family budgets much more widely in 2010/11.

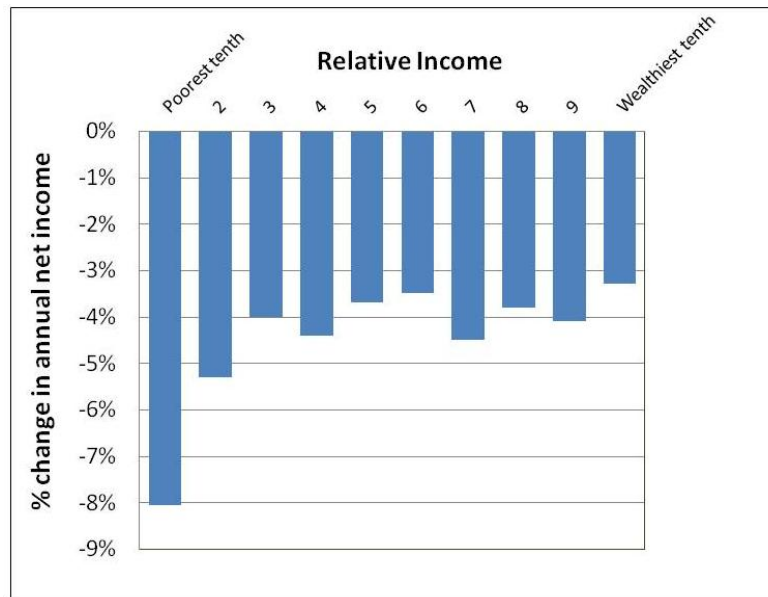
Outlined below are a number of factors within the UK economy post recession which are having the effect of increasing the levels of poverty and inequality.

<sup>3</sup> "Structural deficit" is an elusive concept and involves an estimate of what tax revenue would have been if there had been no recession. The treasury estimates around two-thirds of this year's deficit to be "structural" and the other £50bn as non-structural.

### a. Direct effects of Tax and Benefit Changes

There have been a number of independent analyses of changes in government taxation and benefit spending since the recession. The common theme is that as a proportion of income the poorest will lose out most<sup>4</sup>. Chart 1 shows an analysis of the impact of these changes broken down by income group. The trend of higher impacts on the poorest sections of society continued in the November 2011 pre-budget report but at the time of writing was not available in to be included in the graph below.

**Chart 1: Direct effects of changes in tax and benefits on different sections of society**



**Chart 1:** The UK population are divided into deciles by income, the poorest tenth, the second poorest tenth and so on until the wealthiest tenth. The direct benefit, tax credit and taxation effects are applied to each group and the percentage change in net income are plotted. The effects of the Nov 2011 pre-budget report are not included. *Data from Institute from Financial Studies (IFS).*

### b. Effect of the reductions in spending on Government services:

Analysis of the provision of public services and their impacts on different sections of society are much more difficult than analysis of the distribution of money. Treasury and IFS data consistently estimate services, such as transport, health care, child care etc, received by the poorest to be valued at over twice the amount these groups receive in cash benefits. It is therefore expected that reductions to public services will have a greater impact on the poorest. The one comprehensive study performed so far was conducted by Landman Economics on behalf of the TUC. It concluded that on average it would cost the poorest tenth of people ~30% of their income to replace the services lost to them. This contrasts with an average loss of ~10%, and a loss of just under 2% for the richest tenth of the population.

Most of these services are provided by Local Government either directly or by grant funding other providers. Overall Local Government is facing cuts of 27% to current expenditure much higher than most government departments. The formulas to determine the money going to each council are labyrinthine, and the jargon used by the Department of Communities and Local Government is exceptionally confusing, but it appears from Church Urban Fund Research

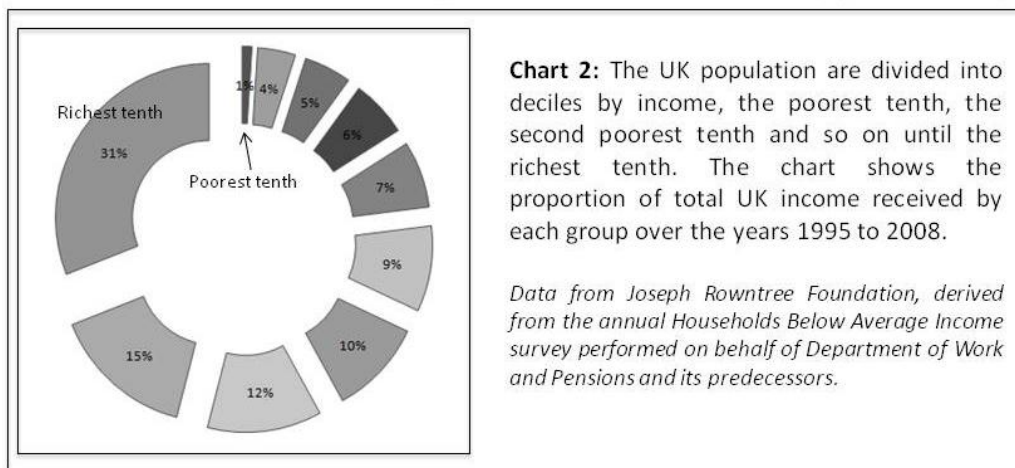
<sup>4</sup> The Institute for Fiscal Studies (IFS) report is the most respected and is the basis for most subsequent analyses. See BBC coverage for summary of reports: <http://www.bbc.co.uk/news/uk-politics-11583746>

amongst others that local authorities serving the poorest communities faced the most stringent cut<sup>5</sup>. Joseph Rowntree Foundation Research published January 2012 has made it clear that despite the efforts of many local authorities, it is the most disadvantaged areas in each local authority that are facing the greatest difficulties<sup>6</sup>.

Many projects run by churches and associated charities have relied on funding from local government, some have already closed and for many of the remaining, April 2012 is an important date as this marks the time when local government funding runs out.

**c. Effects of changes to incomes.** The level of income inequality in the UK is at a record high. During the boom years pre-recession the rise of income and wealth inequality sped up substantially. Incredibly during the years 1997-2007 taking into account inflation the wealthiest tenth of earners got £365 a week better off while the poorest tenth actually got poorer by £7 a week.

**Chart 2: Income distribution amongst different sections of society. (1998 – 2008).**



Post recession the trend of increasing wage inequalities has continued. The significant change is that pre-2010, the average family's income increased faster than inflation today and up until 2020 the averages family's income will be below the level of inflation. For those in poverty the decline is steeper and is not expected to end until 2022. The standard of living of those in the top 10% of earners has remained and is expected to remain above the level of inflation.

**d. Rising unemployment.** The number of people claiming unemployment related benefits has risen from 810,000 in mid-2008 to 1.5 million in January 2011. Much of this increase was due to those in temporary or casual employment being made redundant as businesses shed the part of their workforce that could be lost most cheaply. By January 2012 there were 2.64 million unemployed – 8.1% of the working population. There is a clear trend that those made unemployed (and especially those who loose work and stay unemployed for long period) were previously in very low-paid work. Higher income groups have so far been relatively insulated from job losses, although there is evidence that this is now changing.

<sup>5</sup> <http://www.cuf.org.uk/sites/default/files/documents/PDFs/At-the-Cutting-Edge-Final-Report.pdf> accessed Jan 2012

<sup>6</sup> <http://www.jrf.org.uk/publications/serving-deprived-communities-recession>

As the jobs market has become tighter and recruitment has slowed down young people have been squeezed out. As of January 2012, 1.04 million 16-24 year-olds are unemployed which equates to 22.3%. Again this is focussed on young people from low-income families.

Underemployment – where people are working part-time despite looking for full time work is also increasing with ~2.5million in this position. Again young people are over represented in this group.

**e. Other factors present before the recession.**

Poverty was present in the UK prior to the recession. Despite 15 years of economic growth and a rise in median income of some 80% - the polarised distribution of that wealth meant that numbers of people in poverty, especially severe poverty, remained relatively stable. Church Action on Poverty has produced a booklet in co-operation with major Churches in the UK to outline some of the causes of this. The booklet published February 2012 is free and available at [www.church-poverty.org.uk](http://www.church-poverty.org.uk) and provides a rationale for the Close the Gap campaign which encourages churches and church members in actions that challenge the rising levels of Poverty and inequality in the UK. Key issues include:

**Taxation** in the UK is highly *regressive* i.e. a greater proportion of the income of the poorest is taken in taxes than of the richest. Data from the Institute of Fiscal Studies (IFS) in 2010 shows that the poorest tenth pay 46% of their income in tax while the highest income tenth of the population pay around 34% in tax. The effect of the subsequent government changes is has increased this differential. Even in the hypothetical situation where every individual and company pays their taxes according to the letter and the spirit of the law it would still be regressive.<sup>7</sup> Because although the most commonly talked about tax, income tax, is progressive most other taxes, such as VAT or Council Tax disproportionately affect the poorest.

**Low-pay / no-pay cycle:** is a key factor in keeping many in poverty. At the low-paid end of the employment market casualisation and commodification of labour has led many workers to cycle between short-term and agency work and no work at all. The majority of people living in poverty are in households with work. The work is however poorly paid and unstable, and although working usually improves the family income, it often has no effect on the individuals future life chances and even more worryingly that of their children.

In dockyards a hundred years ago men would line up in the morning to be chosen or rejected by foremen; if they were unsuccessful they went home unpaid. The advent of the phone has done away with humiliating line-ups – it is however extremely common for people to wait for the phone to ring on a daily or weekly basis, to determine whether they have any work or income. People in this position have very few rights and are ripe for exploitation. Their source of income can be arbitrarily removed, or their hours of work can be changed at little or no notice.

**Benefit levels:** It is extremely difficult to make ends meet if a family is solely dependent on benefits. When welfare is discussed this simple fact is often forgotten. Welfare benefits have consistently risen much more slowly than earning meaning that claimants have become increasingly financially distant from the rest of society.

Single childless people receive around a third of the minimum income standard. The Labour government focussed benefits on pensioners and families with children. This

<sup>7</sup> Office of National Statistics, 2006/7, “*The Effect of Taxes and Benefits on Household Income*”.

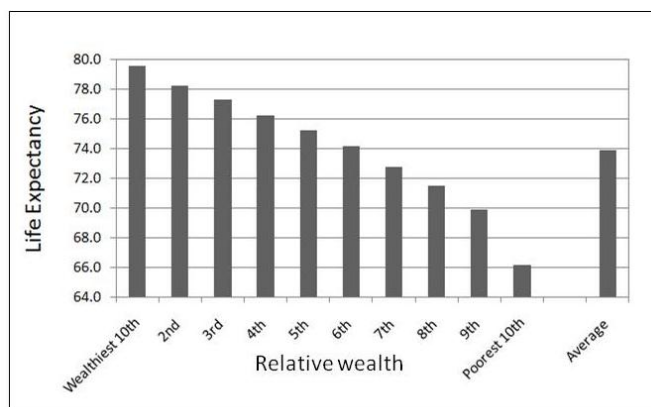
government has made changes aimed at cutting benefit spending by £18 billion per year. Pensioners who receive over half of all benefits have been protected, which means that benefits for children and the working aged are being reduced by around a quarter. The group most affected by the new rules appear to be single parent families.<sup>8</sup>

**Higher Prices paid by the worse off:** goods and services such as phones, utilities, and even food cost more to the poorest. Save the Children estimates that this costs Britain’s low-income families around £1,280 per year each. The most obvious penalty comes in the money lending markets where 7-8% is the current price paid for a loan by someone with a regular average income; those in poverty can borrow less money at rates that can rocket into the 1000s of percent.

### 5. Effects of Living in Poverty in the UK

Poverty has measurable and marked effects on individuals’ and communities’ ability to thrive and flourish. There is now a huge literature available detailing the relationship between poverty and poor outcomes in terms of health, education and wellbeing. There are many measures which can be used to demonstrate this:

**Chart 3:** Relationship between Poverty and the life expectancy of Scottish men 2001-2005



**Chart 3:** The adult Scottish male population are divided into deciles by income, the poorest tenth, the second poorest tenth and so on until the wealthiest tenth. The life expectancy at birth is plotted for each group for the years 2001-2005.

One of the most striking influences of poverty is the effect it has on life expectancy. Chart 3 above is derived from the most recent comprehensive analysis of poverty and life expectancy in the UK. It is for Scottish males 2001-2005 but the trends are found in both genders and all parts of the UK.

The life expectancy for the poorest was 13 years and 4 months lower on average than the life expectancy for the richest. This data also showed that the poorest could expect more of their life to be “not in good health” – 11.3 years as opposed to 4 years for the wealthiest. Most worryingly the trend over the years 1994 to 2005 is for poverty to have an increasing effect on health and life expectancy. In the group above, the poorest tenth’s life expectancy grew by only 2 months, while the richest tenth’s grew by over 31 months.

Life expectancy is the crudest of health measures, but it is clear that poverty is linked with this and a number of other health measures. Poverty is also linked to poor mental health. Anti-depressant use is considerably higher in areas of high deprivation. A study in Glasgow found

<sup>8</sup> <http://www.familyandparenting.org> [accessed January 2012]

that 1 in 4 15 years-olds in deprived areas of the city had taken antidepressants in the previous year - more than double the rate of the average 15 year old, and 6 times the rate of 15 year-olds from the most affluent areas.

The links with mental health and emotional wellbeing are becoming of increasing interest to researchers and policy makers. These are viewed as one key hindrance to progression after a period of living in poverty; people who may be physically able to seek work and seek to improve their financial position also need to have hope, drive and resilience when seeking to move forward in the jobs market.

One of the most profound effects of living in poverty is further poverty for the individual and their family. It is clear that poverty, especially severe poverty, is “sticky and hereditary” - once you find yourself in poverty it is difficult to get yourself or your children out. This is part of a larger phenomenon in the UK where it is unlikely for a person to move out of the social or economic group that they were born into. The OECD judges the UK to be the least socially mobile country of its member states<sup>9</sup>, with movement down the socio-economic scale just as improbable as movement up it. This data demonstrate that life chances are increasingly dominated by accident of birth.

## 6. Perceptions of Wealth and Poverty

Jesus values individuals irrespective of their wealth and status which remains, radical and counter cultural. To include the poor as a neighbour who should be loved as one's self presents us with a morality that is at odds with the prevalent ideas of individual worth and individual wealth being linked. Society has moved on but attitude surveys and opinion polls repeatedly show that the poor are viewed by many as the architects of their own fate – with words like lazy, feckless and work-shy being used.

The confusion between the value of the individual, of their efforts, achievements and potential with their wealth is still prevalent and it is still challenged by Jesus' example. Moreover it is difficult to square the evidence of recent trends in poverty and inequality detailed above, especially the indicators that poverty is largely hereditary, with the view that poverty is the fault of the poor.

A present day incarnation of this prejudice is the section of the UK media which continues to portray those on benefits as scroungers who are exploiting the generosity of the ordinary taxpayer. It is important to realise the examples of fraudulent benefit claims or of people who are claiming benefit and appear to be enjoying an above average lifestyle are prominently displayed. The Government estimates benefit fraud to be £1.6bn per year while it estimates underpayment to those who qualify but do not claim to be £16.8bn. The Government has chosen to emphasise benefit fraud, which, although clearly a crime, makes up only 0.6% of the welfare budget. In the Chancellor's speech announcing the Comprehensive Spending Review and in a ministerial foreword to a Department of Work and Pensions (DWP) official document,<sup>10</sup> the level of fraud was exaggerated three-fold by combining figures for government and claimant error with fraud, and labelling it all as fraud. Churches wrote to the Prime Minister asking for these errors to be corrected<sup>11</sup> and the DWP publication has subsequently been corrected, though not other ministerial statements. This is to be regretted as it pollutes the debate over welfare reform.

<sup>9</sup> “Going for Growth” OECD publication 2010.

<sup>10</sup> “Tackling fraud and error in the benefit and tax credits systems” DWP 2010

<sup>11</sup> <http://www.methodist.org.uk/index.cfm?fuseaction=opentogod.newsDetail&newsid=473>



As discussed above the voice of people who have genuinely experienced poverty is rarely heard. When it is heard, the gate-keepers to the public debate - politicians, journalists and editors - are increasingly from sections of society which have not seen or experienced poverty. Their filter even with good intent often does disservice to the poorest.

**Biases against the poor:** research highlights two major psychological influences as to why we have a tendency to believe the worst of people living in poverty. There is a psychological effect known as the “just-world phenomenon”. This is the observed tendency for people to make the assumption that current circumstances have come to pass because of just reasons. Many studies show that when individuals are asked to describe people based on no information other than clues about their wealth, they make assumptions to justify the perceived level of wealth, suggesting the poor are lazy and unintelligent while the rich are hard-working and clever. The view can be challenged by personal knowledge but when making judgements about public policy or new people this prejudice is often encountered. The recurrent view of the poor as deserving of their own fate can be partially explained by this observation. The statistics which demonstrate that poverty is largely hereditary, along with other data about health, education and future job prospects being distributed inequitably between rich and poor show the just-world prejudice to be utterly untrue.

Another factor leading to the misperception of the poor is that people’s perception of their own wealth is usually inaccurate. Multiple studies have shown that people consistently believe themselves to be poorer than they actually are. They therefore underestimate what the real effects of living in poverty are likely to be. This is especially prevalent in the very wealthiest sections of society. In the most recent related research, only 2% of the UK population believed themselves to be in top 20% of earners, while 88% of people believed themselves to be middle income or lower. This lack of understanding is thought to be due to income groups living increasingly separate lives and very few relationships being formed which span different income groups. There is evidence to show this inaccurate understanding is more common in societies with greater levels of inequality, and therefore it is expected to increase as inequality increases.

## **7: Some theological considerations about poverty and inequality**

A clear link is made between poverty and inequality, and injustice in the Old and New Testaments. This is seen most distinctly in the way in which the Old Testament writers connect justice with the treatment of widows, orphans, resident aliens and the poor – the so-called vulnerable quartet. In Deuteronomy 24.7, for example, Moses enjoins the people, “You shall not deprive a resident alien or an orphan of justice; you shall not take a widow’s garment in pledge” and Isaiah says: “Seek justice, rescue the oppressed, defend the orphan, plead for the widow” (Isaiah 1:17). Isaiah also makes the link between the exploitation of the vulnerable and oppressive laws and social policy when he berates those “who make iniquitous decrees, who write oppressive statutes to turn the needy from justice and to rob the poor of my people of their right that widows may be your spoil and that you may make the orphans your prey” (Isaiah 10:1-2).

This pervasive theme in Old Testament writings leads Nicholas Wolterstorff to the conclusion that the prophets and psalmist assume that alleviating the plight of the lowly is required by justice and therefore focus on urging their readers to *practice* justice to the quartet of the vulnerable lowly ones. This, in turn, leads him to a revealing statement about the treatment of the poor and vulnerable in American society (which is equally applicable to British society in light of the current social policy reforms):

'It seems safe that they (the Hebrew prophets) did not have to deal with the contention .....that it is the fault of the poor themselves that they are poor and that, accordingly, they have no right to aid. Apparently, they did not have to deal with the contention that such aid as comes their way is charity, not justice, for which the poor ought to be grateful. Israel's writers sometimes describe help for the lowly as mercy; but the idea was not abroad that it is *only* a matter of mercy, not a matter of justice.'<sup>12</sup>

Wolterstorff identifies two main reasons for the Old Testament writers injunction to render justice to those who are vulnerable – the 'low ones' - as he calls them. Firstly, those vested with social power are to render justice to the vulnerable bottom ones *as a public remembrance, as a memorial*, of Yahweh's deliverance of the children of Israel from their oppression as slaves in Egypt, Secondly, it is because Yahweh loves justice.<sup>13</sup> Yahweh's pursuit of justice and Yahweh's injunction to practice justice are grounded in Yahweh's love. This leads Wolterstorff to comment on the critical link between Yahweh's love and justice:

'Of course it is not the abstract entity *justice as such* that God loves. What God loves is the *presence* of justice in society. And God loves the presence of justice in society not because it makes for a society whose excellence God admires, but because God loves the members of society.... God desires that each and every human being shall flourish, that each and every person shall experience what the Old Testament writers call *shalom*. Injustice is perforce the impairment of *shalom*. That is why God loves justice. God desires the flourishing of each and every one of God's human creatures; justice is indispensable to that. Love and justice are not pitted against each other but intertwined.'<sup>14</sup>

The New Testament narrative continues and expands the theme of God's love and justice. This is uniquely and decisively revealed in the life and teachings of Jesus Christ who inaugurates God's reign of justice and peace. He is the Spirit-anointed servant whose vocation is to proclaim to the poor, the blind, the captives, and the oppressed the good news of the inauguration of the 'year of the Lord's favour' when justice-in-shalom will reign. He is among human beings 'that they might have life, and have it abundantly' (John 10:10). His teaching and table fellowship inverts the social order and expands the scope of God's love informed justice to include all those excluded from full participation in Jewish society – prisoners, the lame, the deaf, the blind, the malformed, tax collectors and sinners (as well as the vulnerable quartet of widows, orphans, aliens and the poor).

Jesus describes assistance to the neediest, the sick, the naked, and the imprisoned as service to the Son of Man (Mt. 25:31-46). He proclaims woe to the rich and sated after blessing the poor and hungry (Luke 6:20-26). The first community of believers in Jerusalem understood Jesus' teaching to include a just distribution of public goods which resulted in a voluntary sharing of their possessions so that there was no needy person among them (Acts 4:34).

Based on this brief overview of justice in the Old and New Testaments we can conclude that biblical economic values demand nothing less than the economic well-being for all, and especially for the vulnerable and marginalised in our society. Based on this understanding, we need to reaffirm as Christians of the Reformed tradition that the management of our lives through any economy is always part of our response to God's *oikonomia* – God's own work of creation, redemption, and reconciliation. Economic systems are not laws unto themselves free

<sup>12</sup> Wolterstorff, N., *Justice, Rights and Wrongs*, Princeton University Press, 2008 p. 76

<sup>13</sup> Yahweh's pursuit of justice and Yahweh's injunction to practice justice are grounded in Yahweh's love' *Ibid* p. 82

<sup>14</sup> *Ibid*. p. 82

of religious and moral constraints. We therefore evaluate any economic system (including the current economic policies of the Coalition Government) not simply on the basis of the material goods and services it provides, but especially on the basis of its *human consequences*: what it is doing to, with and for people, *particularly the most vulnerable among us*.

For this reason the church must speak to the present economic crisis, to the devastation that it has brought, and to the hope to which we bear witness: that in Christ a more just order is arising.

## 8: Conclusions and recommendations

We recognise that all things belong to God and the trustees of wealth are also entrusted with the responsibility to use that wealth justly towards the good of all. Despite God’s abundant provision lack of material resource prevents many from realising the potential that God has given them. As Christians we are called to stand beside those in poverty as well as challenge the structures which allow poverty to persist.

It is troubling to note that in many parts of the Church in Western Europe are in decline and nowhere is this decline sharper than in the poorest communities. For many, living in poverty and living away from the church are synonymous.<sup>15</sup> We are determined as Christian communities not to allow ourselves to be become disconnected from any section of society and especially one which so often abandoned by others.

Mission Council therefore resolves to encourage members of the United Reformed Church to “keep faith with the poor and challenge injustice” (Vision 2020) and working to end inequality in our society by:

- Affirming the work of CRCWs and others in working with the poorest communities;
- Welcoming the moves by synods and congregations to commit to paying the Living Wage and encouraging others to do the same;
- Renewing our call for the introduction of a financial transaction tax as an innovative way of mitigating the impacts of poverty and inequality in the UK and other good causes such as climate change mitigation and adaptation and poverty alleviation overseas.
- Encouraging churches and church members to actively challenge attitudes and language which treats those in poverty as anything less than people made in the image of God and to ask JPIT to provide resources to help do this effectively both in the public and the private spheres;
- Committing the Church to speak prophetically, particularly through the work of the Joint Public Issues Team and the Close the Gap campaign;
- Support work to highlight injustices against the poorest, including spending decisions, unfair taxation and misrepresentation of the poorest.

Paul Morrison  
Policy Adviser  
Methodist Church

Frank Kantor  
Secretary for Church and Society  
United Reformed Church

<sup>15</sup> [http://www.churchofscotland.org.uk/serve/priority\\_areas/new\\_models\\_of\\_church\\_life](http://www.churchofscotland.org.uk/serve/priority_areas/new_models_of_church_life) (accessed March 2011) for more information and references.