

Long Read Review: The New Poverty by Stephen Armstrong

Coinciding with the 75th anniversary of the Beveridge Report and written in the spirit of George Orwell's *The Road to Wigan Pier*, **The New Poverty** takes a tour of contemporary Britain to show how the implementation of austerity has worked to impoverish millions and leave millions more close to crisis. The combination of reportage and statistics presented by author **Stephen Armstrong** offers compelling, evocative and dismaying insight into the true, intolerable cost of poverty in the UK today, finds **Padraic X. Scanlan**.

If you are interested in this book review, Stephen Armstrong spoke alongside Alex Wheatle, Ros Taylor and Ros Wynne-Jones as part of the LSE event **'Truth and Lies about Poverty'**. Listen to a podcast of the lecture [here](#), recorded at the LSE on 8 February 2018.

The New Poverty. Stephen Armstrong. Verso. 2018.

The aesthetic of neoliberalism is sleek and futuristic. The 'market' is meant to reduce friction and cut through paperwork, flensing away the blubber of public institutions and leaving them lean and nimble. The reality of neoliberalism, as Stephen Armstrong shows in *The New Poverty*, is earthy body horror: pliers yanking out dead teeth from weeping gums in backyard sheds.

The New Poverty is a gruelling book. The social safety net built by the post-war Labour government, based on the 1942 [Beveridge Report](#), is no longer 'in crisis'. It has collapsed, and perverse incentives and petty cruelties have replaced it. Following the 'five giant evils' – want, squalor, disease, idleness and ignorance – set out in the Report, and in the spirit of George Orwell's *The Road to Wigan Pier* (1937), Stephen Armstrong takes a tour of Britain that shows how globalisation and austerity have worked in synthesis to impoverish millions and put many millions more one or two lost paycheques away from poverty.

Armstrong witnesses much that is shameful, but his sketch of do-it-yourself dentistry in the UK is nightmarish. Market-minded reforms to the way dentists are paid for taking NHS patients, coupled with a highly uneven distribution of dental practices across Britain, have made finding a dentist on the NHS effectively impossible across swathes of the UK. Rather than miss a rent payment or a week of meals, many Britons pull out their own teeth or rely on DIY tooth-repair kits from chemists and pound shops – or superglue, or spackle or worse – to fill their cavities.

In *Road to Wigan Pier*, Orwell reported that in Britain's industrial districts in the 1930s, ravaged by the Depression, there were 'very few people with natural teeth at all'. Rotten teeth are a common thread between the 'old' and 'new' poverty in Britain – a symptom and a visible marker of the neglect of the state. But miners in the 1930s did not live in a society with a national insurance system or an NHS. What makes the 'new poverty' *new* is that people now live harassed and miserable *with* jobs, in a country with one of the pioneering welfare systems in the Western world. The mines and factories of Lancashire and Yorkshire that Orwell visited were shredded by unemployment. Now, in 2018, the splash page of the Department for Work and Pensions website celebrates Britain's near-record 75.2 per cent employment rate. In post-industrial Britain, the problem isn't a lack of jobs as such.

Orwell described newspaper-sellers in Wigan, whose 'job seemed to me so hopeless, so appalling that I wondered how anyone could put up with such a thing when prison was a possible alternative'. Armstrong's exploration of the kinds of jobs that characterise post-industrial Britain evokes a similar feeling. More and more workers rely on temporary jobs or work on 'zero-hour contracts'. These contracts, common in retail, customer service, delivery and logistics jobs, have no fixed number of hours per week. They count toward employment statistics, but in practice can pay literally nothing.

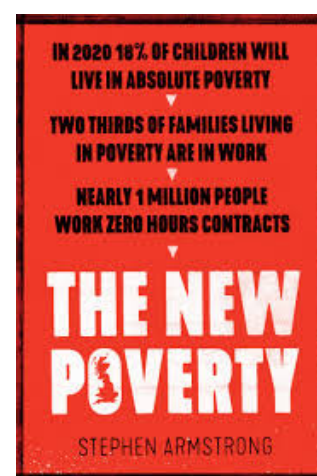




Image Credit: Warehouse ([CTSabre14 CC BY SA 3.0](#))

The 'digital economy' has, for most working people, meant a surge in the availability of jobs in parcel delivery, distribution and the like. These jobs are not 'dynamic'. They aren't 'flexible'. Many are awful. Armstrong describes conditions in the mega-warehouses of companies like Amazon and Sports Direct, where workers are under constant pressure to move faster, monitored at all times to ensure they are on-task and driven to keep pace with orders and with the machines that move tirelessly around them.

More traditional working-class jobs are also menaced by globalisation. Armstrong visits Port Talbot's steelworks, now owned by Tata, where fluctuations in the global price of steel expose workers to redundancy, and he tours Welsh farms where falling demand in China forces British farmers to sell off their wool at far below the cost of production. Armstrong's point is that the kinds of jobs that the global economy throws up in Britain aren't secure enough and don't pay enough for people to get by. And so more and more people with jobs are looking to the welfare state to make ends meet.

Poverty is expensive. People who are at risk of overdraft in their bank accounts are less likely to use direct debit schemes to pay for utilities and services, and more likely to choose pay-as-you-go schemes, for which they pay a premium. More than a few of the people Armstrong interviewed for the book complain of being in the double-bind of having run out of money and minutes when they needed to make a phone call to stave off losing a benefit payment or to follow up on a job. The poor also pay more for credit and are more likely to use payday loans and cheque-cashing services, losing income in exchange for liquidity. They are more likely to rely on rent-to-own retailers like PerfectHome or BrightHouse that mark up prices obscenely but spread the cost over weeks or years – as Armstrong points out, a 40-inch television sold at Argos for £419 costs £1,014 when split, by BrightHouse, into 156 weekly payments of £6.50. To return to Britain's rotten mouths, Armstrong notes that DenTek sells more than 250,000 of its DIY dental kits a year – when a loose tooth could mean a cascade of unpaid debts, it makes sense to have a stiff drink and perform a root canal at home. Armstrong's combination of reportage and statistics is compelling and evocative: to live in poverty is to live in perpetual crisis.

Beveridge understood that poverty costs the state money too. The 'giant evils' identified in his Report overlapped and reinforced each other. Unsafe and unsanitary living conditions made disease more prevalent and sickness more debilitating and demoralising. Citizens living bare lives would be less likely to be well-informed, and less likely to find or keep a job. Concomitantly, people living in poverty would be more likely to disappear from the view of the state, except when they were *in extremis*. The poorest people would only seek help when their problems were intolerable – and complicated, and expensive to solve. The health costs of inequality in Britain are staggering – the NHS spends £5.5 billion per year on the health problems it causes – and the disparities between richer and poorer parts of Britain in terms of access to health care are inexcusable. The public health experts Armstrong interviews note that in the poorest parts of the north-east, there are effectively no NHS GPs – the public health service only treats people when they arrive at A&E. In Wokingham, Berkshire, one of the wealthiest communities in Britain, the average person can expect to live 71 years without disability; in Blackpool, one of the most deprived, the average is 55 years.

The Beveridge Report rejected means-testing for unemployment, disability and pension benefits on the grounds of basic fairness, and because means-testing, sanctioning and monitoring are wasteful. Much has changed. In December 2017, David Gauke – now the Lord Chancellor, then the Secretary of State for Work and Pensions – [gave a speech at the LSE to commemorate the 75th anniversary of the Beveridge Report](#). Setting aside the black comedy of the fox giving a speech about henhouse reform, Gauke’s remarks point to a central feature of the new welfare system. A modern welfare system, the minister stated, ‘should be personalised’. He explained that he and his colleagues had met with their Belgian and Dutch counterparts to discuss using ‘data’ to target areas of special need. ‘In the rest of our lives’, he continued, ‘we are all coming to expect services – from online shopping to social media – that respond and develop to suit us and our lifestyles. The welfare state needs to be able to keep up.’ Tech, social media, ‘disruption’, the use of data to predict and shape consumer choice – all of the sleekest features of late capitalism have been applied to remodel a programme socialist and universal in its original design.

Proposing to run welfare like a business, as though the needy were customers rather than citizens, is one thing. Armstrong’s careful, dismaying reporting shows the absurd gulf between vision and reality. The Coalition government introduced Universal Credit in 2013 to replace six other means-tested benefits with a new, means-tested single monthly payment available to both people looking for employment and those in work earning below a minimum standard. In order to qualify, most applicants must prove that they are regularly applying for jobs or risk sanctions, including reductions to benefits or exclusion from the benefits programme entirely for up to three years. The programme was intended to be fully in place by 2017, but it has now been punted to 2021, and the benefits system is effectively two overlapping systems. To receive Universal Credit, would-be claimants must use the internet to apply for jobs, prepare CVs and register for required training courses. However, as Armstrong notes, the poorest 20 per cent of UK residents have restricted or no access to broadband. In 2016, Jobcentres had about 6,000 computer terminals available for 1.6 million unemployed people, all required to be online 10 to 35 hours a week applying for jobs. The people who most need Universal Credit are the most likely to be punished for not having enough means to get online to apply for it.



Image Credit: UK Jobcentre ([J J Ellison CC BY SA 3.0](#))

Government Jobcentres are the main point of service for people applying for benefits, and the primary surveillance apparatus for ensuring that recipients comply with the conditions attached to Universal Credit and other programmes. Jobcentres show the effects of exposing a once-universal welfare system to the discipline of the market. Bear in mind that the actual amount of money paid out in benefits is a pittance. That notwithstanding, the system presumes that people would cheat if they could, and so Jobcentre employees are deputised as investigators. Their jobs depend on proving the validity of the surveillance system by finding people in violation of their conditions. This means that the most vulnerable claimants are most likely to be punished for alleged non-compliance. [According to Observer reporting](#), claimants with disabilities are 26-53 per cent more likely to be sanctioned than non-disabled claimants. The main instrument of surveillance is the 'Claimant Commitment', which includes mandatory job 'coaching' – a gross little bit of echt-Malcolm Gladwell pop social science – as well as the requirement to agree to look for work for a fixed number of hours per week.

Auditing thus becomes an end in itself. As the theorist Mark Fisher wrote in [Capitalist Realism](#), 'work becomes geared towards the generation and massaging of representations rather than to the official goals of the work itself'. But Jobcentre bureaucracy – representations of self-reliance and personal responsibility – has real-world consequences: sanctions. The Department for Work and Pensions, Armstrong reports, spends between £30 and £50 million a year adjudicating and applying sanctions; another £200 million monitoring the conditions set for people receiving benefits; and an additional £35 million in hardship payments to allow sanctioned claimants to pay rent and other basic living costs. Sanctions don't save money. Instead, they encourage 'heightened vigilance from jobseekers and a greater attention to detail in meeting the demands of conditionality'. In other words, sanctions make people better at avoiding sanctions.

The New Poverty is in the tradition of both 'State of England' novels and non-fiction investigative work on poverty from Henry Mayhew to Orwell. Many of these, whether they focus on London or the North, the countryside or the docklands, rely on the trope of a 'hidden' Britain, invisible until its eruptions threaten middle-class comfort. Brexit, Armstrong argues, was one of these moments. He argues that there is no doubt that the poor helped to carry the day for Leave. Among voters with an income of £20,000 or less per year, 58 per cent voted Leave, compared to 35 per cent of voters with an income over £60,000. In areas where people have few qualifications, 75 per cent voted in favour of Leave; in areas with the highest rate, this was only 27 per cent.

One of the most revolting abuses of language in neoliberal Britain is the perpetual invitation to 'have your say'. To 'have your say' is to replace democratic power with the expression of a consumer preference; you may say whether you approve or disapprove, whether you award a one-star or a five-star review of something that you had no input in making. There are a lot of people in Britain whose lives are difficult, EU or not – and whose lives have been getting more difficult regardless of the party in power. The Brexit referendum was a rare opportunity where 'having a say' could actually replace a miserable present with a future that was at least unknown. Armstrong finds plenty of racism and xenophobia among the poorest Britons. And yet, as he points out, some of the most ardent Leave voters live in communities with few immigrants or visible minorities. Armstrong finds inchoate anger, not ideology, among the alienated white working class.

In the second part of *Road to Wigan Pier*, Orwell makes a direct appeal to his readers among what he called 'the sinking middle class'. The middle class has continued to sink. One in three middle-class people, Armstrong reports, could not pay an unexpected bill of £500 without resorting to borrowing, and 31 per cent of the higher-earning workers known in government statistics as ABC-1s simply couldn't afford it. Audit culture, multiplying bureaucracy and crumbling public services will hurt everyone without the means to pay out of pocket. 'Before you can be sure whether you are genuinely in favour of Socialism', Orwell wrote, 'you have got to decide whether things at present are tolerable or not tolerable'. Things at present, *The New Poverty* shows, are not tolerable.

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Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.