Poverty in the UK: 100 “baby banks” spring up to assist parents with basic supplies

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The growing poverty and inequality blighting the lives of millions in the UK is predicted to worsen, according to latest reports.

By 2023-24, according to forecasts by the Resolution Foundation think tank, 37 percent of children in the UK could be living in relative poverty—in excess of the previous high of 34 percent at the beginning of the 1990s. This would mean 1 million more children living below the poverty line in the next five years.

Research published this month by the Joseph Rowntree Foundation (JRF), commissioned by the BBC, revealed that over a third of babies in the UK are living below the poverty line.

Many Britons thrust into poverty are familiar with and are regular users of food banks. Such is the growing impoverishment that a new phenomenon has sprung up—“baby banks.” These are funded by charitable donations and provide struggling families with such necessities as cots, baby food and nappies. There are now over 100 baby banks throughout the country, with volunteers reporting that their take-up is on the increase.

The JRF, a social policy research and development charity, analyzed the government’s own data for the BBC.

It extrapolated from the government’s latest figures that, in 2016-17, 302,838 children aged under one year old were living in families whose household income was below the poverty line. That translates to 35 percent of children in that age group living, for example, with a single parent earning less than £198 a week (after deducting housing), or £360 a week for a couple and two children.

The JRF latest state of the nation report, “UK Poverty 2018,” reported that poverty is increasing, with 4.1 million children living in poverty now, a 500,000 increase over the last five years. Not only has child poverty been increasing since 2011-12, but so has in-work poverty as the UK has been transformed into a low-wage economy.

The study identified in-work poverty as an increasing causative factor in the rise in child poverty. Between 2010-11 and 2016-17, the number of children living below the poverty line in working families, as well as the child poverty rate, rose sharply—more so than at any other time over the last 20 years.

In response to these reports, and of a piece with Prime Minister’s Theresa May’s fraudulent announcement at the Conservative Party conference that the era of austerity was at an end, the government denied that poverty and inequality saw an increase and is on the rise.

Another study by the Resolution Foundation, “The Living Standards Outlook 2019,” predicts a substantial rise in UK child poverty over the next five years.

The Resolution Foundation was founded in 2005, with the stated purpose of seeking to improve living standards of low- to middle-income families. Its income forecasts for those at the lower percentile of the population in the next period make grim reading.

Senior economic analyst at the Resolution Foundation (RF), Adam Corlett, said, “UK households have already taken a £1,500-a-year hit to their incomes. There’s now a huge risk that their incomes stagnate over the next few years as the economy’s pay performance struggles to get out of first gear …”

“The outlook for low- and middle-income families is particularly tough,” said Corlett, pointing a finger at government slashing of welfare spending as a factor.

Average earnings have still not recovered from the global financial crash of 2008 and are more than £500 a year less than their pre-crisis level after inflation is factored in, the RF says. The future holds no respite, as “non-pensioner median income growth is not set to return for several years.” Even without the negative economic impact of a no-deal Brexit—in which the UK withdraws from the European Union and is forced to trade on World

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Trade Organisation terms—"the outlook for household incomes is weak."

Projected income growth is lowest for parents, the unemployed, low- to middle-income working households, social renters, those with mortgages, and single adults. The RF reports that child poverty is predicted to "rise to record levels within the next five years, and will be six percentage points higher in 2023-24 than in 2016-17."

By 2023-24, "[T]he majority of children who either have a single parent; are in larger families; are in a household where no-one is in work; or live in private or social rented housing, will be in poverty."

Income for all families that have children is predicted to decrease by 1 percent between 2016-17 and 2023-24, compared to a rise of 4 percent for non-children households. And income growth will be disproportionately lower for the poorest 40 percent of the population.

The RF found that average real household income at the end of 2018 was "£1,500 lower than had been projected in pre-referendum forecasts." The Bank of England's average earnings projection, though stronger than the OBR's, was revised downwards and forecasts a real pay drop in 2019. While the poor are predicted to get poorer, "the richest 4 percent of the population are projected to continue to have a greater share of income than the entire bottom 40 percent."

The Brexit vote and ensuing economic uncertainties are cited by the RF as a contributory factor in growing poverty. Immediately after the referendum vote the pound fell, affecting the poorest families most of all because the bulk of their income covers necessities.

The report singles out the government's moves to decimate what remains of the post-war welfare system as a major factor in reducing poorer households and families with children to penury.

The freeze in benefit payments is into its fourth year, leaving households with £4.4 billion a year less in total. Families with more than two children will be up to £2,800 a year worse off, as they can only claim for up to two children now. Families on tax credits or those claiming Universal Credit (UC) will lose the "family element" of their benefit, amounting to an annual deduction of £545.

Government tax breaks have benefited only high earners, while council tax rises and pension cuts—including auto-enrolment into pension scheme with contributions rising from 2 to 5 percent in April—have massively eroded the disposable income of the worse off.

Support for the unemployed in 2019-20 will be at its lowest point since 1990-91, meaning there has been no improvement in the living standards of those who are the poorest in 30 years. And in the poorest percentile of the population, it is parents with children who are hardest hit.

The Resolution Foundation report ends on a sanguine but unrealistic note. Their gloomy predictions may be challenged, "either as a result of economic trends diverging from today's forecasts or as a result of deliberate policy change."

As the UK enterers unnavigated waters, with EU withdrawal set to take place in just over a month, the Tory government is committed to increasing the exploitation of the working class and completely dismantling previous welfare reforms. This onslaught is in order to allow British corporations to increase their profitability and remain competitive in the world market as trade war begins to intensify. This onslaught against the working class will be imposed whatever the outcome of the Brexit negotiations and under any future government, no matter what its political colouration.

In 2015, the vast majority of Labour MPs allowed the passage of the Tories Welfare Reform Bill by abstaining on it. The 48 MPs who did vote against, including Jeremy Corbyn—who was elected party leader just weeks later—have refused to drive out the Blairites right wing. Instead, they have repeatedly capitulated to their every right-wing demand.

A critical factor in the growth of poverty in recent years was the instruction by Corbyn and his Shadow Chancellor John McDonnell to Labour councils that they continue to set legal budgets, i.e., impose cuts, in the face of cuts to their funding by central government. McDonnell has committed a future Labour government to a "Fiscal Credibility Rule," rendering bankrupt any rhetoric he occasionally makes about fighting austerity. This week, Labour-run Birmingham City Council, that has already laid off 12,000 workers over the last decade, announced another nearly 1,100 job losses.

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