

The wider picture: Ludlow, the UK and the world beyond

An uncertain future

We live at a time of accelerating change. There are alarming threats to the future of mankind. Some of these may seem speculative and remote – problems for others and future generations to tackle. But there is an urgency, and we need to comprehend that wider environment if we are to make the necessary adjustments to our way of life. Our lives in the local community of Ludlow are largely shaped by factors which seem well beyond our reach but that does not leave us helpless. The CTAL report speaks of hope, and points to ways in which we retain the power to cope with the impact of those pressures and control the more immediate world in which we live. We can devise ways of dealing creatively with the consequences of change. The growing economic crisis presents an opportunity to take stock of how we lead our lives as individuals and members of a community and to prepare for the impending time when many of the benefits we have come to rely on will no longer be available. The priority is to attend to the needs of the more vulnerable people in our society. Full consideration of these wider issues would distract from the local focus of the report but we must also play our part in campaigning for policies at a higher level which make for a cohesive and fair society. So we need to understand the scale of the threats which are bearing down on us. Some may be realised without warning and for these we cannot be fully prepared; others will emerge more slowly, and give us time to adapt.

Climate change

This is happening and recent reports indicate that the consequences of melting Arctic ice will be felt much sooner than earlier predicted. Human activity has contributed about 70% to this global warming. The effects of climate change are already causing widespread drought, particularly in parts of Africa and central America. Weather extremes lead to catastrophic flooding, destroying homes and agricultural land. Industrialised nations have singularly failed at Kyoto, and more recently at Rio, to agree policies which would reduce carbon emission. It will be impossible to restrain developing nations from adding substantially to the problem. The damage and deprivation caused by changes of climate will impel increasing movement of population. The consequences of rising sea levels in a low-lying country like Bangladesh with its vast population is incalculable. The coastal cities of Australia are in danger and there is a high risk that parts of the UK, particularly the London area, will be submerged. Some experts argue that it is already too late to take preventive action and that the world is already past the tipping point.

Energy supplies

Emerging economies demand supplies of power and the more industrialised nations show no sign of conceding their advantage. Natural resources of minerals, water, oil, coal and gas are finite. Their acquisition leads to commercial exploitation and military conflict. Powerful nations and multinational companies are able to explore new sources and develop new techniques which put poorer nations at increasing disadvantage. As we have witnessed through Chernobyl and, more recently, Fukushima, nuclear power brings its own hazards. The total population of Tokyo was close to being evacuated. The UK's Sellafield plant has been close to catastrophe and the problem of nuclear waste is unsolved. A switch to bio-fuels may seem to be a more sustainable policy but with almost half the US grain production diverted to it, and with more farming land in Europe given over to more profitable oil-seed rape, world food prices escalate and there is less food for the hungry.

Nuclear conflict

Nearly seventy years without the use of nuclear weapons has lulled the world into complacency. The threat of nuclear war remains, with no effective means of preventing proliferation. The stockpile of bombs held by nuclear powers is enormous and regime change in Pakistan, for instance, could place their weaponry in the hands of extremists. As more unstable nations and – potentially – terrorist groups acquire the technology to manufacture weapons of mass destruction the risks are bound to increase. Sophisticated weaponry such as 'drones' may give the USA temporary advantage but the technology will at some stage be acquired by those prepared to repeat a Twin Towers attack. There is no reason to suppose that, given the capacity, extremists would be deterred from inflicting more widespread horror than in the London bombings of 2005.

Inequality

Inequality is a major concern. The gulf between rich and poor nations is widening and unless those who control a disproportionate share of the world's resources make concessions it will become unbridgeable. The contrast between the living standards of the average family in the industrialised and less developed worlds is obscene. Overseas aid – often on a token scale and linked to trading contracts – too frequently fails to reach those in greatest need. In their struggle to survive, poor nations, like poor people, incur debts and their income fails to cover repayments. Growing economies, notably China, are buying up land in parts of Africa and investing to secure their own future but depriving emerging nations of their resources of food and raw materials. Yet inequality is also marked within wealthier countries. The UK and the USA are amongst the world's most unequal societies. Yet in those countries there is no evidence of a higher sense of wellbeing. It is countries like Japan and Sweden with less discrepancy between rich and poor which on a range of measures – for example: education, health, housing – thrive better.*

Population growth

Growth in the world's population is staggering, from 3bn in 1960 to 7bn in 2012. China grew from 667m to 1.3bn in that time. The 2011 UK census confirms that our population has reached 56.1m, an increase of 3.7m since 2001. Poverty and lack of medical facilities reduce life expectancy in less developed countries, but if their standards improve this will become an even more crowded planet. Employment opportunities and the search for a better quality of life prompt movement between countries. Deprivation in sub-Saharan Africa compels many to risk the hazardous journey to Spain or Italy, and once there it is not too difficult to reach the UK. It is proving impossible to police a 'fortress Europe'. Part of the growth in the UK population is attributable to immigration, most of it from within the expanded European Union. The migrants' skills and labour come cheaply and are welcome in the short term, but tension and racism arise as they make demands on housing, education and welfare facilities.

Unreliable financial institutions

Any assumption of continuing growth in the economy has been shattered and with it confidence in financial institutions. Some banks have operated like casinos and have destabilised markets. Lack of regulation has had dire consequences for commerce and nations. The Eurozone is in crisis. Greece and Spain are the main casualties with mountainous debt, high levels of unemployment and lack of funds to maintain welfare provision and public services. This has caused a financial earthquake and its tremors shudder through the world economy. Politicians and bankers stumble in their attempts to stem the crisis. The UK came close to disaster in 2008 with the banking collapse and remains in recession with a stagnant economy. As productive industry moves to areas of low labour costs and the emerging economies of China, India, Brazil and Russia become dominant, there is little prospect that the advantage held by the western industrialised world will be retained .

Vulnerable communication networks

The world has become reliant on sophisticated technology in commerce, industry, power supply and defence. But that technology holds its own high risks. Computer or satellite failure can spell disaster. Hacking or cyber attacks could wreak havoc and destroy whole systems of telecommunications. An interlinked system means that industrial action or breakdown in any sector could bring life to a standstill.

These global challenges continue to command the attention of policy makers at every level. No country can escape their implications and the UK is as vulnerable as any. Some may seem to be only longer term issues for our community and there is no sense of urgency but we must play a responsible part in addressing them. Governments tend to concentrate on short-term solutions which carry them to the next election, and attend to consequences rather than investment in preventive strategies.

Challenges for us in the UK

Power supply

Maintaining the national grid is one of those concerns which requires long-term and massive investment. Our power stations have a limited life and replacement requires a decade of planning and construction. Nuclear or renewable? Coal, oil or gas would mean breaching carbon emission targets and be dependent on imported supplies in a competitive market. No clear policy has been agreed but any outcome will place a heavy burden on industry and household budgets. Fuel poverty will become a major concern.

National debt

The level of debt is unsustainably high and an austerity programme designed to reduce it results in more benefit payments to the unemployed and less tax revenue. Like other struggling economies, we have been living on credit and borrow more to meet our debts. Many of the investments in public works over recent years have been financed through PFI contracts which store up alarming medium-term repayment problems. Many NHS Trusts now have to allocate a significant proportion of their budget to servicing the debt. Other public services will face a developing crisis and their maintenance will mean heavier taxation.

Recession and cuts

It is now five years since the banking crisis which began in the USA precipitated the UK recession. The economic outlook remains bleak and with industrial decline there is little prospect of a return to more affluent times. The UK economy has come to rely heavily on providing financial services, but confidence in our institutions has been badly shaken and in time the centre of trading may move elsewhere. Politicians take comfort in the bounce-back from previous short-term recessions and suggest that a period of austerity will steer us back to 'normal'. Reducing the budget deficit requires cuts in benefits which inevitably fall disproportionately on the more vulnerable and needy. To date only about 15% of the planned cuts have been applied and the more comfortable sections of the community who own a home and enjoy secure pensions have not suffered unduly.

Impact on family life

A detailed assessment of the cuts would require a report of its own, but it has been calculated by the Institute of Fiscal Studies that a million families with children stand to lose £511 a year each and face tax increases already introduced, such as the VAT rise, amounting to £450 a year. About 850,000 families on modest incomes will lose tax credits of about £545 a year, and up to 212,000 working couples earning less than £17,000 will lose their tax credit worth up to

£3,870 a year. They would have to increase their working hours to make up the difference. Even before the cuts the number of children in the UK living in poverty was amongst the highest in Europe. One child in five lives in a family with an income of under £251 a week. A total of £1.89bn has been cut in 'service design' for the elderly and disabled. Oxfam reports a trebling of some food prices in five years and with the minimum wage back to its 2004 value there is a severe impact on family budgets.

Financial hardship

It is calculated that almost 7 million adults in work and not dependent on any state support live with extreme financial stress. They have few savings to cope with unexpected bills and each month struggle to feed their families. An increasing number depend on payday loans, and food banks run by charities are becoming a feature in our cities.(eleven set up in Coventry over the past year). The new Universal Credit is designed to make work more attractive than living on benefits but with few job vacancies and the failure of government-sponsored schemes to increase opportunities, it seems unlikely to bring relief. Families which have relied on two wage earners are finding it hard to keep up their commitments as jobs, especially part-time jobs for women, become scarce. Low interest rates on mortgages in recent years has brought some relief but that is likely to change. Young people on average income find it impossible to save the down payment for any property purchase. A cap has been imposed on housing benefit which will force some families to move from areas where rents are high. The social fund which has been available to people in crisis has been effectively removed. Council tax benefit also is now to be paid at the discretion of the local authority and will be capped. In a county like Shropshire with a high and increasing proportion of elderly people this poses a serious threat.

The widening gulf

On any global rating the UK is one of the most unequal societies. Through the decades after the Second World War there was a general levelling of living standards, with top wage-earners on salaries no more than eight times the average. Now a typical CEO of a large company receives £4.8m and increasing, while there is general wage restraint. A culture has developed where status is defined in monetary terms, and a growing section of the community feel they have no access to that more privileged world. The more wealthy have access to private medical care and education. The riots of 2011 are one symptom of that alienation. Many of those taking part felt they had no stake in society. They have no regular work, and with no skills are unlikely to compete in the labour market or lead fulfilled lives. The Lottery, in effect a 'desperation tax', offers the dream escape. There is a more general mood of cynicism as corrupt business practices, expenses scandals and tax evasion undermine confidence in institutions of state and commerce. The ethos of public service has been eroded as financial incentives and the bonus culture prevail. Inequality creates instability and there is a real risk of civil disorder without a sense of shared purpose. The deprived feel shut out and those who are threatened respond by shoring up their defences, rather than sharing their advantages and investing in long term solutions. We finish up with a dangerously divided society.

The challenge

The sum of this may seem unduly pessimistic. We may be tempted to retreat to our own comfort zone and leave it to politicians or future generations to sort out the problems which confront our society. Delay and inaction would make matters worse. These are immediate not theoretical issues which impact upon our local community and we cannot avoid our responsibility to address them. What may seem modest changes in the way we organise our lives and relate to one another can contribute to wider movements. We do not have to wait on grand political designs.

The Spirit Level Why Equality is better for Everyone Wilkinson and Pickett 2009

⑩ Costing not less than everything. Sustainability and spirituality in challenging times.
Pam Lunn Swarthmore Lecture 2011