



The Young Fabians bi-monthly digest of the latest policy publications

Welcome to the third issue of Policy News, brought to you by the Young Fabians Exec. This newsletter appears every two months and brings together policy news from think tanks, third sector organisations and Whitehall departments, including an outline of the best in recent policy publications. You can read the reports in full online by following the web address listed at the end of each summary.

April and May, with the combination of a deepening financial crisis and a controversial budget, inevitably heralded a wave of publications on tax, fiscal policy and poverty. The Joseph Rowntree Foundation has released an analysis of the huge impact of tax policy on child poverty targets at the same time as research on US economic woes indicates how British children might fare in a world of widespread foreclosure and rising food bills. Meanwhile the importance of an effective tax system was considered by both the Fabian Society and Christian Aid, the latter calculating the potential gains of beating tax dodgers.

On the international front, trade policy and failed states were hot topics as international summit season gets underway, while Oxfam's analysis of government and humanitarian failures following natural disasters is particularly timely in the wake of recent events in Myanmar and China.

To suggest a publication to include in the next issue of Policy News (June-July), or for any other comments, please send an email with full details to the address below.

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Publications

► **Demos – Democratising engagement: What the UK can learn from international experience**

Citizen engagement has become an essential part of modern government. Gone are the days when the best that citizens could expect was to be told what was good for them. Governments around the world are starting to realise that engaging their citizens more in shaping the decisions that affect their everyday lives improves both legitimacy and the quality of public services. In the UK, addressing the democratic deficit is high on the political agenda. But the current model of consultation does not bring in the diversity of voices and perspectives that would make citizen engagement genuinely democratic. This pamphlet draws on the Institute for Development Studies research project Spaces for Change, examining international attempts to democratise citizen engagement. The case studies show that genuine, inclusive engagement requires investment to create an enabling environment and to support society's least vocal and least powerful people to find and use their voices. As other countries lead the effort to involve the public in meaningful conversations about policy, the pamphlet argues that the UK has much to learn from their experience.

►► Available at: http://www.demos.co.uk/files/Democratising_Engagement-web.pdf

► **The Institute of Economic Affairs - Trade Policy, New Century: The WTO, FTAs and Asia Rising**

In recent years, debates on international trade policy have focused on the role of the World Trade Organization and the two big political and economic powers – the USA and the EU. In this book, the author argues that this focus must change. Large supra-national institutions have become bogged down and are no longer in a position to drive trade liberalisation. Also, the world's fastest growing economies are those Asian economies that have embraced free trade, in many cases going beyond international requirements. Asian countries – China most conspicuously – have been taking the initiative by pursuing free trade unilaterally. This must continue and spread. The Western developed economies should respond by removing their own protectionism. Unilateral action, not trade negotiations, is the key: the world cannot wait for the WTO. If a unilateral commitment to free trade is to stick, it must be fixed in a general attitude of economic liberalism in the domestic economy. This applies as much to newly emerging economies as to the USA and the EU. Author Razeen Sally is realistic about the ability of existing institutions to deliver free trade 'from above', but optimistic about the prospects for the world economy as a result of unilateral liberalisation 'from below'.

►► Available at: <http://www.iea.org.uk/record.jsp?type=book&ID=432>

► **Oxfam - Partnership or Power Play? How Europe should bring development into its trade deals with African, Caribbean, and Pacific countries**

Europe is negotiating new trade deals with African, Caribbean, and Pacific (ACP) countries. A true partnership in trade could radically transform the lives of one-third of all people living in poverty, providing farmers and small businesses with sustainable incomes and workers with decent jobs. But Europe is choosing power politics over partnership. The deals currently on the table will strip ACP countries of important policy tools they need in order to develop. They will fracture regional integration, exacerbate poverty and make it harder for countries to break away from commodity dependence. Despite massive pressure, many ACP countries are holding out for a fair deal. Europe needs to rethink, and agree to change course. Ultimately, it is in its own interests to do so.

▶▶ Available at: http://www.oxfam.org.uk/resources/policy/trade/downloads/bp110_epas.pdf

▶ Amnesty International - Routinely Targeted: Attacks on Civilians in Somalia

This report examines human rights abuses and violations of international humanitarian law by all parties to the conflict in Somalia, specifically torture and other ill-treatment, rape, extrajudicial executions, arbitrary detention, and attacks on civilians and civilian infrastructure. Some 6,000 civilians were reportedly killed in fighting in the capital Mogadishu and across southern and central Somalia in 2007,¹ and over 600,000 Somali civilians were internally displaced from and around Mogadishu.² In addition, an estimated 335,000 Somali refugees fled Somalia in 2007,³ despite enormous obstacles to their movement, including Kenya's closure of its border with Somalia,⁴ armed combatants and bandits on the roads, and perilous travel across the Gulf of Aden. The humanitarian crisis in southern and central Somalia is largely caused by widespread violation of human rights and international humanitarian law requiring immediate and effective action by the international community, including particularly the United Nations (UN), African Union (AU), League of Arab States (LAS), and governments in the International Contact Group on Somalia (ICGS). The report concludes with recommendations to the TFG, the Government of Ethiopia, armed groups in Somalia, and the international community to strengthen the observance of human rights and ensure the protection of civilians.

▶▶ Available at: <http://www.amnesty.org/en/library/asset/AFR52/006/2008/en/1162a792-186e-11dd-92b4-6b0c2ef9d02f/afr520062008eng.pdf>

▶ RAND corporation - Breaking the Failed-State Cycle

This paper aims to improve the understanding and treatment of failed states by focusing on critical challenges at the intersections between security, economics, and politics and on the guiding goal of empowering local populations. Insecurity in the 21st century appears to come less from the collisions of powerful states than from the debris of imploding ones. Failed states present a variety of dangers: religious and ethnic violence; trafficking of drugs, weapons, blood diamonds, and humans; transnational crime and piracy; uncontrolled territory, borders, and waters; terrorist breeding grounds and sanctuaries; refugee overflows; communicable diseases; environmental degradation;

and warlords and stateless armies. Regions with failed states are at risk of becoming failed regions, like the vast triangle from Sudan to the Congo to Sierra Leone. For security, material, and moral reasons, leading states cannot ignore failed ones. While no two failed states are alike, all typically suffer from cycles of violence, economic breakdown, and unfit government, rendering them unable to relieve the suffering of their people, much less empower them. This paper aims to improve the understanding and treatment of failed states by offering an integrated approach based on two ideas: that certain critical challenges at the intersections between security, economics, and politics must be met if the cycle is to be broken and that, in meeting those critical challenges, the guiding goal should be to lift local populations from the status of victims of failure to agents of recovery.

▶▶ Available at: http://www.rand.org/pubs/occasional_papers/OP204/

▶ **Oxfam - Rethinking disasters: Why death and destruction is not nature's fault but human failure**

A destructive combination of earthquakes, floods, droughts and other hazards make South Asia is the world's most disaster-prone region. The effects are aggravated by climate change, unsuitable social and development policies, and environmental degradation. The effect is to slow or block development and keep millions trapped in poverty. It does not have to be this way. Oxfam's experience shows that successful disaster risk reduction policies, integrated into development work, save lives and money, making vulnerable communities more resilient and protecting development gains. This report examines how to achieve those goals – and the cost of failure.

▶▶ Available at:

www.oxfam.org.uk/resources/policy/conflict_disasters/downloads/oxfam_india_rethinking_disasters.pdf

▶ **RAND corporation – The Economics of Early Childhood Policy: What the Dismal Science Has to Say About Investing in Children**

Scientific discoveries over the past two decades have transformed the way in which researchers, policymakers, and the public think about early childhood. For example, recent research in brain science has provided a biological basis for prevailing theories about early child development, and cost-benefit analysis has reoriented some of the discussion about early childhood toward prevention programs. Several recent reports have been particularly helpful in translating research findings into practical information that improves policy. This paper summarizes the contributions from the field of economics, which has played an increasingly prominent role in recent discussions about early childhood policy. The insights from economics also have broader implications for social programs focused on prevention, especially during childhood, rather than later-in-life remediation. This research is of value to individuals who are interested in early childhood policy, including decision makers in the public and private sectors, service providers, and the public more generally.

▶▶ Available at: http://www.rand.org/pubs/occasional_papers/2008/RAND_OP227.pdf

► Policy Exchange – Learning the hard way

The UK is believed to have one of the highest incidences of special educational needs (SEN) in the developed world. Nearly 20 per cent of all pupils have some form of learning difficulty, a rise of 10 per cent in the last four years. Furthermore, SEN is not equally distributed across society: it hits the most deprived hardest. The education system is struggling to cope with this growing burden. A catalogue of failures – the poor academic and social achievements of children with learning difficulties, an ill-equipped and overburdened teaching staff, and the alienation of parents who have to negotiate a complex and opaque system – led to a recent review of the system describing it as “not fit for purpose”. This report argues that the inclusion debate misses the fundamental point: that it is parents, not politicians, who are best placed to decide where their children should be educated. It is parent choice, rather than ‘expert’ opinion, that should drive policy.

►► Available at: <http://www.policyexchange.org.uk/images/libimages/385.pdf>

► Her Majesty’s Government - The case for change – Why England needs a new care and support system

This report, which has received recent media coverage, argues that in a civilised society we have a moral obligation to ensure that people in need are not left without any care or support. The existing care and support system is not sustainable, because of the impact of changing demographics and expectations in our society. We need to address these challenges now, before their effects are felt on the system and impact on people’s lives. There are a number of issues that need to be addressed before a new care and support system can be developed. The Government believes that finding a solution to these issues will require a radical rethink of how we pay for and deliver care and support services. The longterm challenge is to create a new settlement between individuals, families and the Government that will be sustainable in the future, that offers us all protection and dignity, and that is fair.

►► Available at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_084725

► IPPR - Just Care? A fresh approach to adult services

Arriving two weeks after the Government’s report on social care, this IPPR report argues that a just society can be judged on how it supports people who need care to live independent lives. Care for adults has rarely received the attention it deserves. However, this is changing. Increasing care needs, rising expectations of care and uncertainty over the levels of service available and how much support families can and should be expected to give, make care an issue affecting a growing number of people and a wider range of services than before. In 2005/6, over nine million people in England reported a long-term illness, health problem or disability that limits their daily activities – more than four million of whom were of working age. There is also increasing realisation

and understanding that chances for an independent, good-quality life are increased by individuals having choice and control over services, and this has positive implications for the potential to improve care services for adults. But we need to think beyond individual users and the existing adult social care provision. People with care needs use a range of services across the health, welfare and housing sectors as well as social care. Care must aim higher than meeting people's personal needs: we should be explicit that care is about enabling people to participate fully and equally in society. This paper outlines how a care system that is fair for users and givers of care could take shape. It starts from a central point: the state cannot support adults with care needs to maximise their independence without better supporting care within families and across communities. This requires looking not how the range of services for support adults, families and communities.

▶▶ Available at:

<http://www.ippr.org.uk/members/download.asp?f=%2Fecomm%2Ffiles%2FJust+Care%2Epdf>

▶ **Social Market Foundation - Creatures of Habit? The Art of Behavioural Change**

Many of the major challenges facing society today require that individuals change their behaviour. However, policies introduced so far have had mixed results. The proportion of the population classified as obese continues to grow, despite the significant provision of information on the health risks this brings and the diet and activity needed to avoid it. People continue to save too little for their old age, although numerous financial and other incentives have been deployed to promote saving. Despite high-profile campaigns on the harmful effects of human activity on the environment, individual behaviour to address climate change has not shifted as quickly as policymakers have hoped. Currently, the Government tends to rely on policies that presume that people are rational agents making considered decisions based on the information and resources available to them. This approach has been challenged by developments in behavioural economics and indeed by the fact that much of recent policy activity has failed to bring about the desired change. However, people can change their behaviour and successful case studies do exist. Unfortunately, little coordinated effort has been made to apply these insights in policymaking. This study has looked at a wide range of examples from across the international public policy spectrum to better understand the drivers behind people's choices and behaviour, and distilled the messages into a tool for policymakers to improve the future development and design of policy solutions.

▶▶ Available at: http://www.smf.co.uk/assets/files/publications/SMF_Creatures_of_Habit.pdf

▶ **Demos – The politics of public behaviour**

Mirroring SMF's contention that 'behaviour change' is central to current social policy agenda, Demos argues that 'the personal has become political'. Increasingly, governments find themselves drawn into questions about how children are parented, how household waste is disposed of, how people travel, how much they save for later in life, and how much they eat, drink, smoke and exercise. A combination of new challenges and new thinking has given rise to the politics of public

behaviour. However, a debate that concerns itself with people's personal behaviour raises important questions. Where do personal freedoms stop and mutual obligations begin? Which decisions should be public and which private? And how and when should government play a role? This pamphlet presents three perspectives from different political traditions. Andy Burnham MP, Andrew Lansley MP and Chris Huhne MP offer contrasting views on the public implications of private decisions, and what they mean for the relationships between people and government. The pamphlet concludes with a framework with which to negotiate the politics of public behaviour.

▶▶ Available at: http://www.demos.co.uk/files/Politics_of_Public_Behaviour_web.pdf

▶ Joseph Rowntree Foundation - The impact of benefit and tax uprating on incomes and poverty

In the wake of the storm surrounding the abolition of the 10% tax rate, this timely offering from JFR considers the implications of present tax uprating policies, which mean that some parts of the tax and benefit system are uprated by earnings growth, other parts by prices and some not at all. Each year, the Government decides how much to raise benefits and tax allowances. The basis for these upratings is rarely debated, yet has major long-term consequences for the relative living standards of different groups and for public finances. Continuing with these uprating policies for 20 years, other things staying the same, would result in a near doubling of the child poverty rate alongside a substantial gain to the public finances. Some of this budgetary gain may be needed to meet other demands – of an ageing population for example – but the cost falls disproportionately onto poorer groups and could be raised more fairly.

▶▶ Available at: <http://www.jrf.org.uk/knowledge/findings/socialpolicy/pdf/2218.pdf>

▶ Brookings Institute - The Impact of the Mortgage Crisis on Children and Their Education

As the Government struggles to meet its child poverty targets, this is an interesting offering from the other side of the pond, where the US mortgage crisis is starting to impact directly on vulnerable families. Britain may face many of the same problems in near future, raising questions about how to protect children from the worst of the financial fallout. Brookings says of the US: 'We know that the mortgage crisis is wreaking havoc on the stock market, on the housing industry, and on our economy as a whole. But there are 2 million voiceless victims of this crisis about whom we hear little. Largely over the next 2 years, an estimated 2 million children will be directly impacted by the mortgage crisis as their families lose their homes due to foreclosures. These children are not just losing their homes, but they also risk losing their friends, schools, and in many ways, their childhood.'

▶▶ Available at:

http://www.brookings.edu/~media/Files/rc/papers/2008/04_mortgage_crisis_isaacs/04_mortgage_crisis_isaacs.pdf

▶ The Fabian Society - How to Defend Inheritance Tax

Inheritance tax is under attack, and not just from the political right. The critics of this tax have dominated the debate over recent years but, as the authors of this Fabian pamphlet argue, inheritance tax is one of the best tools we have for tackling inequality and kick starting Britain's stalled social mobility. Defending inheritance tax is not just the responsibility of politicians – there must be a citizen-led campaign too. In 'How to Defend Inheritance Tax' the authors provide progressives with the tools they need to win this argument. They set out the evidence on inheritance and inequality, tackle the common objections to the tax, and demonstrate the moral and pragmatic arguments for an inheritance tax. This pamphlet grounds its arguments in the realities of public opinion, taking objections to inheritance tax seriously and outlining the political strategy we need. It raises a challenge to progressives to reconnect thinking about tax with the moral arguments for social justice.

▶▶ Available at: <http://fabians.org.uk/publications/ideas-pamphlets/how-to-defend-inheritance-tax>

▶ **Christian Aid - Death and taxes: The true toll of tax dodging**

At a time of switchback stock markets and fears of global meltdown, the world economy in 2008 is an uncertain and nervous place. Will more banks collapse? Will the housing market crash? Can recession, or depression, be avoided? In the world's poorest countries, the concerns are less about lifestyle and more about life and death. What will be the impact on growth in developing economies? Will the hope of a better, and longer, life for poor people be negated? This debate is increasingly focused on the progress, or otherwise, towards the Millennium Development Goals (MDGs) set by the United Nations, which aim to halve world poverty by 2015. How will the money now be found to realise this ambition? Christian Aid has concluded that the necessary money, and more, is already available – if only those who owe it would pay up. We are talking about tax. This report seeks to expose the scandal of a global taxation system that allows the world's richest to duck their responsibilities while condemning the poorest to stunted development, even premature death.

▶▶ Available at: <http://christianaid.org.uk/images/deathandtaxes.pdf>