

Globalisation, UK poverty and communities

Round-up
Reviewing the evidence

March 2011

The implications of
globalisation for poverty
and communities in
the UK

This paper:

- summarises findings from research projects, programme papers and events run as part of the JRF 'Globalisation, UK poverty and communities' programme during 2010–11, as well as other relevant research.

Key points

- While globalisation – the UK's economic, social, cultural and political interdependence and interconnectedness with other parts of the world – has a significant influence on the everyday lives of people, its costs and benefits are unevenly distributed, as people's experiences are shaped by their own and local areas' history, resources and capacities.
- People on low incomes in the case study areas were anxious about work and future job security, both for themselves and for the next generation. Although exacerbated by the global financial crisis and recession in the UK, this was due more generally to shifts in types of employment practice associated with globalisation, such as increased contract and agency work, combined with the movement of jobs to other countries and employment of migrant workers in the UK.
- The global financial crisis and rises in global food and fuel prices led to an increase in living costs in the UK, which have affected, in particular, people on low incomes (and may continue to have great impact in future). Subsequent coping measures have meant a heavy reliance on family and local support.
- Local connections to other parts of the world, combined with new communications technology, mean that events outside the UK can affect communities in the UK. The research found examples of good practice in terms of local areas coping with the challenges raised, through, for instance, the establishment of 'communities of practice' and broader information-sharing mechanisms.
- Many local councils and regional government bodies are exploring how global links can benefit their areas. Analysis of how such international strategies can best benefit disadvantaged people and places and those on low incomes is needed.
- Global governance is relevant to poverty in the UK, but there is limited awareness of how it works, where decisions are made and how to influence them.

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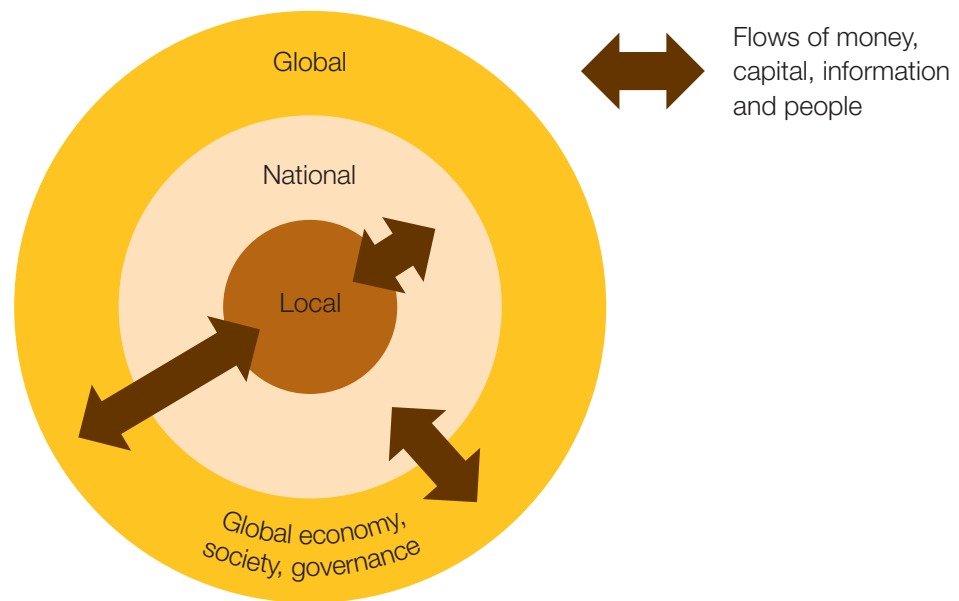
Introduction

The Joseph Rowntree Foundation (JRF) 'Globalisation, UK poverty and communities' programme focuses on how globalisation is being experienced by people in local communities and in particular by people on low incomes. Globalisation is defined as the increasing integration and interdependence of countries and their economies, societies, cultures, politics, technology and ecology.

There are many links between the UK and other parts of the world that contribute to the globalised pattern of relationships in which we live our day-to-day lives. Global links include those between individuals, communities, public and private institutions, businesses and states. Globalisation, facilitated by developments in technology and communication, is also associated with global processes such as the increased magnitude and speed of the movement of money, capital, people and information around the world between countries, regions and local areas. These flows enable the growth of:

- global markets, both in relation to where production, and therefore work, is located, and in relation to where goods and some services are sold;
- global society, as individuals and institutions create social connections, for instance through the internet or travel; and
- global governance, as the range of institutions grows which have a global or international regional remit to govern aspects of our lives.

Figure 1 Global, national and local links



The extent and nature of the UK's integration into the global economy, its patterns of migration, transport and communication connections, its historical links and its high profile in the global political arena all affect how globalisation influences life in the UK. The recent worldwide increases in the price of food and fuel and the global financial crisis have all demonstrated the speed with which global events have a direct impact on people's lives – people in the UK have seen the cost of living rise and job insecurity increase.

JRF's programme explored the implications of some global trends and processes for poverty and communities in the UK. Through research projects, programme papers and events, it explored the evidence in four key strands, themselves all interrelated:

- the global economy and experiences of work in the UK;
- global influences and the cost of living for people on low incomes;
- global connections and UK communities – challenges and opportunities; and
- UK policy-making in a global policy arena – in particular, the implications for addressing poverty and inequality.

This *Round-up* looks at each of these in turn, concluding with reflections on the implications of the findings for future poverty-related policy, practice and research.

The research

This paper draws on the following reports from JRF's 'Globalisation, UK poverty and communities' programme (all published by the Joseph Rowntree Foundation, York)

Beckett, C. (2010) *Globalisation, the media and UK communities*

Briggs, R. (2010) *The impact of foreign policy on local communities*

Collyer, M. et al. (2011) *The impact of overseas conflict on UK communities*

Diamond, P. (2010) *How globalisation is changing patterns of marginalisation and inclusion in the UK*

Dutton, W. H. (2010) *The local impact of the global internet*

Hirsch, D. et al. (2011) *Global influences on the cost of a minimum standard of living in the UK*

Hossain, N. et al. (2011) *The impact of the global economic downturn on communities and poverty in the UK*

MacKinnon, D. et al. (2011) *Globalisation, labour markets and communities in contemporary Britain*

McGrew, A. (2010) *The links between global governance, UK poverty and welfare policy*

Scholte, J. A. (2010) *The impact of global governance on poverty in the UK*

The global economy and experiences of work in the UK

Globalisation affects people's daily lives by influencing their access to the labour market and employment (Diamond, 2010). Two JRF research projects from the programme included a focus on people's experiences of work. In the first, MacKinnon et al. (2011) examined three case studies:

- The 'Heathrow Village', located near the major West London international transport hub and associated with a long history of migration to the area. An industrial dispute at airline caterer Gate Gourmet in 2005 brought to the fore the tensions of living and working in a global hub.
- North East Lincolnshire, where a wave of unofficial strikes in the engineering construction industry in 2009 was sparked at the Lindsey Oil Refinery in response to the use of low-paid migrant workers.
- Greater Glasgow, where young unemployed people's experiences of welfare delivery and searching for work took place within the context of a changing economy and labour market.

In the second project, as part of research into the impact of the recent global economic crisis on UK communities, Hossain et al. (2011) explored people's experiences of work and worklessness in three case study areas: Oldham in Lancashire, Newhaven in Sussex and Kildress in Northern Ireland. In addition, JRF papers reviewing current evidence on aspects of globalisation – such as that by Patrick Diamond, on processes of marginalisation – also considered the labour market as part of their subject area. These projects provide evidence highlighting the connections between the global economy and the world of work in the UK.

The changing UK labour market in the global economy

The UK labour market has changed significantly in the past 30 years due in part to globalisation (the other key factor being technological change) (BERR, 2008). Relevant global trends have included the rise of a low-wage labour force in the emerging economies, notably those in Asia. In addition, there has been a doubling of university enrolments around the world, reaching close to 63 million students by 2005. This is leading to a massive increase in the global supply of highly educated workers, able to compete in terms of price as well as knowledge (quoted in Brown *et al.* 2010:10). Global companies now manage their workforce at the global level. The implications of this became apparent during the UK debate about migration caps for highly skilled workers from non-European Union (EU)/European Economic Area (EEA) countries, in which exceptions to the cap were introduced in order to allow companies to be able to bring in their own international staff.

Global exchange rates (particularly for the US dollar, euro and Chinese renminbi) all affect the economic health of the UK, impacting on the export levels of UK goods and services as well as competitiveness internally, with repercussions for UK employment. These have also had an impact on migration to the UK and the relative attractiveness of UK wage levels. The global financial crisis which began in 2007 has affected UK job security, with significant increases in unemployment rates. Ongoing structural trade imbalances continue to threaten economic stability and were a major topic of discussion at the G20 meeting of major world economies in Seoul in November 2010.

All these trends are contributing to the UK's economic interdependence with a global economy, therefore affecting job prospects for people in the UK.

This phase of globalisation follows a period of deindustrialisation in the UK, itself linked to an earlier phase when some industries relocated to other parts of the world that had supplies of low-wage labour. Reports for JRF by Diamond and MacKinnon both point to research showing how problems of unemployment, labour market inactivity and low pay tend to be spatially concentrated and linked to histories of deindustrialisation, contributing to the establishment of a highly differentiated pattern of employment opportunities across the country.

These trends have significant implications not only for the economy as a whole but also for people's experience of work and community. Drawing on work including that of Esping-Andersen (2007) and Goos and Manning (2007), Diamond (2010) argues that the evidence demonstrates a 'hollowing out' of the labour market, affecting potential career paths and social mobility (Diamond, 2010: 18–20). Such developments have also led to debates about the appropriate education system for the UK and its relationship to economic growth, social mobility, poverty and inequality.

The mobility of labour

A key aspect of globalisation is the increased mobility of labour. The British workforce is part of this process, with research estimating over 5.6 million British people living abroad, with well over half migrating for employment (Finch *et al.* 2010:7). The UK receives significant remittance from abroad, estimated in IPPR research to have been £4.5 billion in 2006. The UK ranked eighth in the world in terms of the amount of money remitted to it in 2007 (Finch *et al.* 2010:27).

At the same time, the process of in-migration to the UK is one of the most concrete ways in which people in the UK have direct contact with global processes. Migration into the UK increased sharply for three to four years following the 2004 EU expansion (IPPR, 2010:1). MacKinnon *et al.* (2011) consider how trends in increasing immigration have occurred alongside an increase in employers' use of contracting out and agency work. They refer to research, for instance by the Trades Union Congress (TUC) (2008) which recently reported that as many as 62 per cent of Jobcentre Plus vacancies are accounted for by employment agency activities, while migrant workers tend to make up a disproportionate number of the agency workforce, estimated at around 25 per cent by one researcher (Vosko, 2008 in MacKinnon *et al.* 2011).

MacKinnon *et al.* (2011) found UK workers facing increased competition for some types of work and downward pressure on their wages resulting from migration and employment practice in the UK. This finding is in line with other research that found even low-paid work in the UK is attractive to workers where the cost of living is lower; this has been an important factor underpinning large-scale migration to the UK in recent years (Stenning and Dawley, 2009, in MacKinnon *et al.* 2011).

MacKinnon *et al.* (2011) found concerns across their case study areas about migrant labour – which was viewed as a threat to ‘local jobs’ – and in particular people were angry at employers’ use of migrant labour at lower wage rates. For instance, in their case study of the Lindsey Oil Refinery, the core of the dispute was that employers were using less qualified Italian workers employed through a sub-contractor at lower rates than UK workers, in breach of negotiated collective agreements with UK unions. The Lindsey argument was not necessarily that migrant workers should be excluded; indeed, some of the research participants had worked in other countries themselves. This had given workers first-hand knowledge of working conditions elsewhere and was important in developing their arguments about emergent labour practices in the UK. Rather, their argument was that they should all be employed on the same terms and conditions, equal to those established for permanent UK employees, so there was ‘a level playing field’ in the labour market. This is the case in other countries such as Italy, where collectively bargained terms become the statutory minimum wage for a job.

Research participants who had been involved in the Gate Gourmet dispute expressed similar sentiments.

We are not against European people, but they are not from our [directly-employed] teams, they are keeping teams from the agency because they don't want inside people. So that's why they kick out the inside people. They are kicking people out so they can bring in cheap labour ... So the company wanted to change, like they want no sick pay, they don't want organised persons, they don't want anybody going for sick, they don't want to pay pay-rise; they want their good option which is agency, minimum wage. (Male respondent, Gate Gourmet focus group)

Participants in the case studies recognised employers’ desire and need for cost-effectiveness and some flexibility, but they also highlighted the economic and social costs of such measures with, for instance, diminishing opportunities for young people to gain work experience and job insecurity having negative impacts at household and community levels. Participants argued for regulation to establish that a proportion of the workforce of established companies should be on permanent terms and conditions, not short-term contracts and agency work which leads to economic and social insecurity for individuals, households and communities. A similar conclusion was reached in JRF work considering recurrent poverty, which identified that permanent work provides the potential for a better defence against poverty (Goulden, 2010).

The UK Government has the potential to influence how the globalisation of markets affects the nature of work in the UK, through regulation and other forms of national economic and social policy, and also through its role in international arenas in which the governance of the global economy is debated and developed. In the UK, regulation on the use of agency workers is clearly important, given the ‘uneven playing field’ JRF research identified for some workers. The Agency Workers Directive, due to come into force on 1 October 2011, will require employers to give agency workers the same terms as permanent workers and so could go some way to meeting these concerns. The Directive has conditions, however, such as only coming into effect after 12 weeks’ employment. Full implementation of this Directive, backed by people being fully informed of their rights under it, will be important to help establish the ‘level playing field’. It could be argued that this Directive will increase the risk of jobs being moved by global employers out of the UK, but the fact that the Directive is EU-wide should go some way to countering this risk.

Volatility in the jobs market

The financial crisis highlighted the speed with which changes at the global level can have an impact on work in the UK. Unemployment increased significantly, from just over 1.5 million in mid-2007 to almost 2.5 million by the end of 2009. Men's overall employment rates were initially affected more than those of women, but UK public sector cuts are widely forecast to have worse effects for women's employment and poverty than for men (Hogarth *et al.* 2009 and UK Women's Budget Group, 2010, both cited in Hossain *et al.* (2011).

In all three case studies researched by Hossain *et al.* (2011), in Lancashire, Sussex and Northern Ireland, global influences affected local employers, such as exchange rate volatility, commodity price rises and decreased international demand. Most businesses had had to adapt in some way to more austere conditions, some even closing. Major employers integrated into global and regional markets seemed to be hit particularly hard, with subsequent results for local employment.

However, there was some evidence that those businesses able to develop diverse global links were better able to cope. Hossain *et al.* (2011) found that in all three areas local businesses had responded to the recession by diversifying products or seeking new markets, often abroad, as well as by cutting costs, including through laying off staff and reducing working hours. They concluded that global economic integration represents a combination of risks and opportunities – while the more globalised businesses were the most exposed to the direct effects of the financial crisis, they were also able to cope and recover. What mattered locally was whether they coped locally, which was not the case for all of them. For example, a significant employer in Newhaven, Sussex, was Parker Pen, which closed its Newhaven unit with the loss of 180 jobs. This was one of 20 units closed worldwide and the work that had previously been done there was reported to be moving to Nantes, in France.

The global nature of the recession also had an impact on people's coping strategies. For instance, in Kildress, Northern Ireland, where many families had at least one member directly or indirectly employed in the badly hit construction industry, the researchers found many families with members travelling long distances for work. They came across a widespread attitude that people needed to 'get up and follow the work'. More people were commuting within the region, or even travelling across the Atlantic – unlike during previous rounds of migration, cheaper airfares meant that it was possible to travel to Europe or the US for weeks or months at a time. However, recent figures for migration suggest that these options may now be closing down.

The recession in 2009–10 was not the 'tipping point' for unemployment that was initially predicted. But this does not mean it has not been a time when people on low incomes have struggled. Indeed, some people and places were already experiencing hardship. For some groups, notably young people, unemployment had already been rising from as early as the mid-2000s; progress on poverty and average income growth had also slowed from that time (Brewer, *et al.* 2009 and MacInnes, *et al.* 2009, cited in Hossain *et al.* 2011). Hossain *et al.* found that some people's experience of the global economic crisis was that it was 'business as usual' – they were already living in places of ongoing economic decline. A common theme in Oldham, for example, was that the recession had not affected them because they had never had prosperity: "Have we not been in economic recession since I can remember? It's only when big factories like car factories close down that we hear about it." Such experiences suggest that participation in the global economy was not a positive experience for many people even before the current financial crisis.

Furthermore, employment statistics do not reveal the hardship that many people have experienced in order to preserve some level of working income and their job for the long term. Job losses have not been the only changes to work patterns. Hossain *et al.* (2011) found that people were travelling more, feeling less secure about their jobs and experiencing uncertainty about their earnings. This was among both self-employed and trades people and also employees whose hours had been reduced. A builder explained the implications for him:

I used to get like £2.40/m² for every bit of plasterboard I put up, and now it's like £1.90/m². I was even getting £3.00/m² before, but now it's £1.90. So, yeah it's pretty harsh, sort of having to work twice as hard, longer hours, and weekends to try and build it up.

People experiencing uncertain levels of income, or sudden reductions, were finding it hard to cope, and research participants highlighted the importance of Tax Credits. The case studies revealed the challenge of in-work poverty in volatile job markets. Hossain *et al.* (2011) concluded that these experiences suggest a responsive welfare system is needed to ensure that people are able to cope with volatile earnings.

Influencing through global connections

MacKinnon *et al.* (2011) found that the industrial disputes they studied achieved some short-term success in influencing employment practice locally, and that this was in part due to mobilising action that would have a global impact. In the Lindsey dispute, workers reported that the threat to UK and European energy supplies by the spread of strike action to other refineries resulted in government pressure on the employers to settle. In the Gate Gourmet case, their location at a global transport hub increased the workers' influence:

... it is a global industry, it affects what is going on not just in its small little village that we are talking about, it is having an impact worldwide. Because the food that Gate Gourmet was producing for flights, these were flights going all over the world. Once you start interrupting global flight patterns then that starts to have an impact upon what is happening in the different flight nodes around the world, and not just that but also on the cargo the flights carry as well, because cargo has to arrive at a certain place at a global hub in order to move somewhere else. (Gate Gourmet Support Group representative)

In the Gate Gourmet dispute, the global centrality and visibility of Heathrow meant that the strikers were able to garner greater global attention and solidarity with other workers around the world than might have been possible in a less 'connected' workplace:

... you talk about business being global but actually you got a real sense of trade unions' international and global solidarity through ... the messages that came in. And it was really quite incredible because people really did connect, it did have a huge impact worldwide very, very quickly ... all those messages came in which were fantastic. (Gate Gourmet Support Group representative)

But overall, MacKinnon *et al.* (2011) found that while the workers may have had short-term influence, they had only a limited ability to affect changes in the long term, with trends such as high levels of contract working continuing. For instance, most of the dismissed Gate Gourmet workers eventually accepted a pay-off or their old job under the new conditions that had prompted the strike. The research team recommended building on and strengthening the links between local areas negatively affected by these global processes, within and between countries, to strengthen the workers' power in such negotiations.

Government options

States vary in how they respond to such developments in the global economy. MacKinnon *et al.* (2011) refer to a range of models in different countries. They vary in their approaches to employment regulation and levels of employment support such as retraining and social protection. The UK's approach, similar to that of the United States, Canada and Australia, is characterised by relatively low levels of employment regulation. A second model, dominant in France and Germany, includes strict employment protection. A third model, the 'flexicurity' approach of Denmark, Finland and the Netherlands, is characterised by a lack of employment regulation but high levels of social protection and strong commitment to retraining. The relative merits of different models are discussed in some policy circles – for instance, via the EU Employment and Growth Open Method of Coordination and peer review processes and in the Organisation for Economic Co-operation and Development (OECD). However, there may be scope and some benefit to be gained by broadening participation in these discussions in the UK to consider the outcomes of the different models and their relevance to the UK.

The global economy and the cost of living

The JRF 'Globalisation, UK poverty and communities' programme considered how globalisation affects the cost of living for people on low incomes. A team addressed the question of how far global influences could affect the prices of goods and services in ways that would impact on the ability of people in the UK to afford a minimum standard of living, as measured by the Minimum Income Standard (MIS). A Minimum Income Standard for the UK

is a measure of how much money households need in order to reach a minimum acceptable standard of living. It is based on lists of items that households need to buy, grouped into categories of goods and services with a money value attached to each. These lists are drawn up from discussions with members of the public about what needs to be included in order to reach a socially acceptable minimum (Davies *et al.* 2010). Food, domestic fuel and clothes are three areas the team identified for analysis due to their significance as a high proportion of low-income consumers' household budgets, their links to global forces as outlined below and the extent to which initial analysis shows their price patterns have deviated from the consumer price index (CPI).

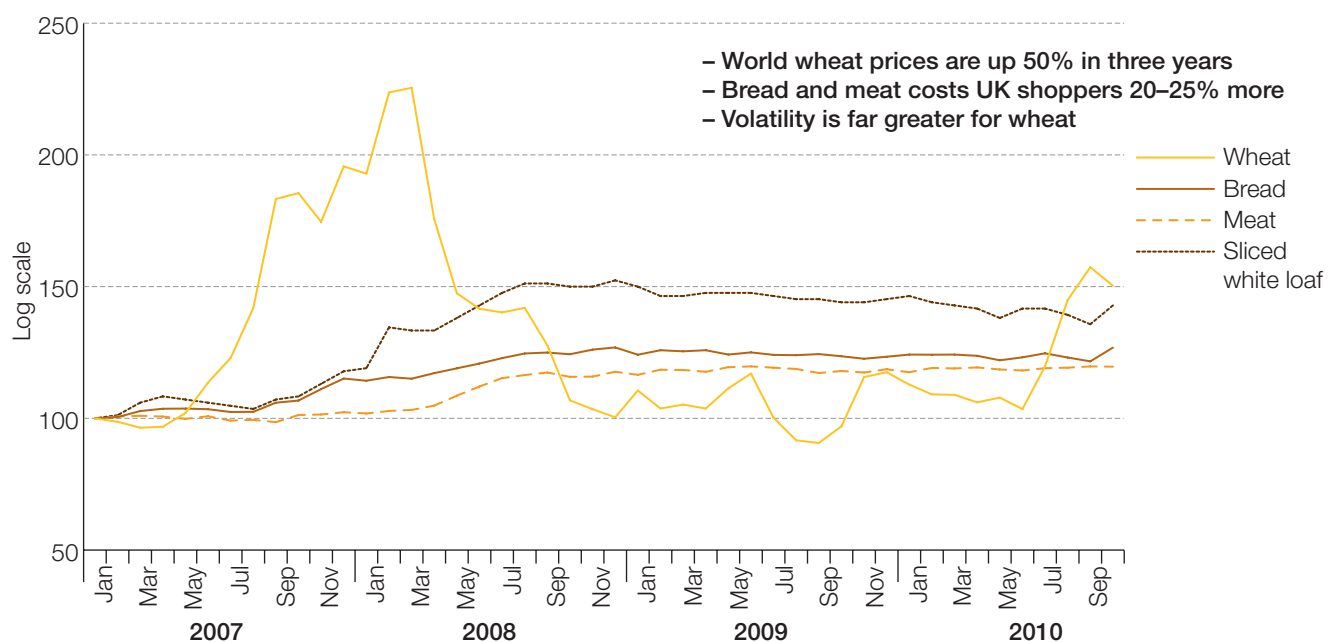
The example of food serves to illustrate the range of global factors the research team identified as potential influences on the price of everyday goods people buy.

Global influences on UK food prices

- The capacity of food production to meet growing world demand – the rate of growth in global crop yields – is slowing (Trostle, 2008 cited in Hirsch, 2011).
- There are competing pressures on the use of land, for example the rapid rise in demand for biofuels.
- There is increasing involvement by multinational companies in large-scale and often highly specialised food production by geographical area.
- There is increased speculation on grain and other food items in commodity markets.
- Energy costs are high and fluctuating, which affects food production and distribution costs.
- Exchange rates influence UK buying power.

Projections for the future (OECD, 2010, cited in Hirsch *et al.* 2011) suggest that food prices may well continue to be volatile but overall are likely to remain at higher levels than in the recent past. However, the relationship between global factors and retail food prices is complex. Figure 2 takes as an example the relationship between the price of wheat on global markets and those of bread and meat in UK shops. This shows that commodity prices are only one of various factors influencing the price of food in UK shops. Supermarket strategies in purchasing and pricing, along with the cost of other components including labour, transport and shop running costs, all play a role in price trends (although some of these may also be influenced by global factors in their turn).

Figure 2 World wheat prices and selected UK food prices, 2007–10



Sources: Index Mundi/International Monetary Fund (IMF), Retail Prices Index (RPI)

Analysis by Hirsch *et al.* (2011) of food prices and market practice led them to conclude that due to long-term pressures which are expected to cause world food prices to rise, this is likely to result in higher retail food prices in the UK. However, the magnitude and timing of such rises is highly unpredictable. They also concluded that the price of food on the supermarket shelves might experience some volatility but, due to the 'smoothing' effects of supermarkets' market strategies, not to the same extreme as the fluctuations of some global commodity markets.

Along with a review of other areas (including energy and clothing) affected by global influences, the research team concluded that the *potential* magnitude of the global effects on the cost of living is great. Taking a set of assumptions about potential price changes in food, fuel and clothing based on the trends of the past ten years, the cost of items required to meet MIS could rise at a rate substantially higher than that of the CPI. This will have implications for people reliant for part or all of their income on social security benefits, which in future will be updated in line with the CPI.

These findings add additional weight to the call by Hossain *et al.* (2011) for action to support people struggling to cope with the impact of the recent food, fuel and financial crises and their associated impact on the cost of living. In addition to rising prices, they identified 'hidden effects' for people on low incomes as they adapted in a range of ways to the recession. The researchers found that people were:

- buying cheaper, and sometimes poorer quality, food;
- growing more of their own fresh produce;
- shopping in cheaper supermarkets rather than local shops;
- switching to cheaper 'English' foods such as pasta (among households of Asian origin in Oldham);
- cutting down on travel and heating; and
- cutting turf for use as fuel (in the rural community in Northern Ireland, for example).

In all three case study areas, people were spending more time and effort on shopping around for bargains, or just to keep their households going. These strategies had time and other resource costs that were often borne predominantly by women.

Hirsch *et al.* (2011) conclude that global influences on UK prices could have a significant impact on the ability of people in the UK to afford a minimum acceptable standard of living. They argue that future governments therefore need to consider the options to counter the potential effects of global price rises on the standard of living of the worst-off groups in the UK. The scope for influencing these prices may be limited, although governments can potentially address uncompetitive practices that cause the cost of basics to rise. A second type of intervention is to help people on low incomes to afford certain things that are rising in price, such as assisting them with home insulation to contain energy costs. The third – and, they suggest, perhaps the surest – way to address the effect of rising prices is to take this into account in measures that influence the incomes of the poorest groups. In particular, adjustments in benefits, tax credits, the minimum wage and public sector pay could take more account of how the real cost of the minimum cost of living is rising.

Global connections and UK communities – challenges and opportunities

The JRF programme has also explored how globalisation is affecting UK communities. Globalisation was a factor raised by the Commission on Integration and Cohesion, an advisory body set up by government in 2006 to consider how local areas could make the most of diversity while being able to respond to the tensions it may cause. It identified globalisation as adding another layer of complexity to communities through the range of migration trends to the UK, including long-term migration and settlement, along with the short-term migration seen more recently, particularly from Eastern Europe. While migration can cause tensions as pressures on local services and resources may increase, JRF research also found many examples of good relations and a sense of ‘ordinary multiculturalism’ in places that had experienced migration over long periods of time.

The influence of external events in the UK

The Commission’s final report pointed to the local influence of global affairs and to the fact that this may mean conflicts from abroad being played out on UK streets (Commission on Integration and Cohesion, 2007). JRF research by Collyer *et al.* considered how conflicts taking place outside the UK affect communities within the UK. The team traced the complex economic, social, political and military links between the UK and three conflict areas: the Balkans, Afghanistan/Pakistan and the Great Lakes area of East Africa. Research participants included nationals from those countries living in the UK, together with members of the UK armed forces and their families, frontline workers providing services locally in the UK and others interested in, or identifying with, people in the conflict areas because of cultural, religious or other factors.

The research highlights the range of ways that groups of people can operate as a community in a globalised society with easy communication across geographical distances. The researchers laid out four types of community:

- ethno-national communities;
- communities of proximity, or neighbourhoods;
- communities of practice – people coming together to share learning and experience in areas they are working on; and
- communities of choice – people choosing to come together around a common interest.

The research highlighted the fact that the literature – and, indeed, policies – tend to use the term ‘community’ interchangeably to refer to people who are living in the same place, are of the same ethnicity and/or of the same religion. This can lead to vagueness or confusion in policy aims and strategies, for instance, in some approaches to community cohesion. In reality many people occupy more than one, and sometimes all, these categories simultaneously.

The research found that communities in the UK could be rapidly affected by events overseas as news and information flow almost instantly between countries via the internet, mobile phones and other means. The most obvious impact is when this results in flows of people to the UK, contributing to the ‘super-diversity’ of the UK population.

Conflicts stimulated a range of actions by people in the UK, particularly those linked directly through family or culturally, for instance through religion. Examples included people becoming involved in Stop the War campaigns, acting to challenge public perceptions of a conflict, such as the Congo Now initiative and Help for Heroes campaign, and also the development of new communities of practice among UK frontline workers. An example from the research was that of teachers, social workers, refugee support organisations and Afghan refugee community organisations (RCOs) who came together to share knowledge and experience to improve services for Afghan unaccompanied asylum-seeking children (UASC) in two neighbouring boroughs of London.

The research reaffirmed the need for front-line workers to be informed of the conflict context – not only for the sake of clients arriving as refugees or migrants in the UK but also for second and third generations in the UK who might be affected by subsequent events in their family’s country of heritage. Examples of good practice included the case of Hounslow Council, where briefings were circulated regularly to inform social workers, housing officers, teachers and NHS staff about the details of particular conflicts that might affect their work.

A further response identified was groups in conflict in their home country finding ways to build good relations in the UK. This occurred informally, for instance in the workplace, and in addition some community organisations were able to support such positive developments by encouraging membership regardless of ethno-nationality but building on common shared characteristics such as language.

The team identified six factors that affect the extent of influence that an overseas conflict can have in the UK (see Table 1).

Table 1 Factors which influence the impact of overseas conflict on UK communities

Influencing factor	Extent of impact in the UK
The nature of UK involvement in the conflict	Direct and significant involvement – for example, UK military involvement in Afghanistan – means that wider areas of the UK will be affected, although the effects on different communities vary
The proximity of the conflict to the UK	The conflict in the Balkans has had a greater impact than that in the Great Lakes, East Africa, due in part to its geographical proximity. Cultural proximity is also relevant and means that post-colonial links increase the significance of conflict in certain areas
The timing and duration of the conflict	Significant but relatively short-term involvement, such as the UK intervention in Sierra Leone in 2000, means that any effects on the UK usually recede fairly rapidly in significance
The size and date of arrival of the diaspora community in the UK	Where there are large numbers of primary migrants or their descendants, as in the case of the estimated one million UK residents with family links to Pakistan, the impact of conflict in those areas will be felt more strongly. Conflict may also result in the development of new ethno-national communities through refugee movements. In this research, Bosnians, Burundians, Congolese, Kosovar Albanians and Rwandese are among groups with more of a presence in the UK in 2010, but with virtually no resident ethno-national community in 1990. Their arrival contributes to the growing ‘super-diversity’ of the UK
Transnational engagement of ethno-national communities with the conflict region	When a particular ethno-national group is actively linked politically, socially or culturally to a region of conflict, there is greater potential for effects to be felt beyond the immediate ethno-national community
Media coverage	How external conflicts are reported reflect public perceptions and responses to conflict more generally and may inform the attitudes of service providers

A globalised media and new communications technology

News from other parts of the world reaches us more quickly than ever before, with 24-hour rolling news and alternative forms of news from the plethora of sources now available online and via satellite and digital media. While there is increased access to many sources of information if people actively seek it out, Beckett (2010) argues that there is a decreasing amount being proactively provided by mainstream media. The UK has regulation in place to support the production of international news as part of the public service broadcasting settlement. Ofcom and the public service broadcasters all have commitments in their charters to deliver international news to UK audiences. However, these commitments are vague and subject to the increasing pressure on resources and competition allowing declining numbers of foreign correspondents and bureaux. Beckett cites a recent report that found that programme commissioners see international news as a luxury (Harding, 2009). Research shows that commercial channels are the first to drop international news and these are often the channels most watched by low-income UK communities; likewise, he argues tabloid newspapers are almost devoid of international news.

Research participants in Collyer *et al.*'s study who were connected to areas in conflict criticised the media coverage for being overly simplified and portraying countries in basic terms, which led to their experiences not being well understood in the UK. But some also reported the importance of new media, enabling them to search out additional content beyond the mainstream media and, indeed, to create their own forms of media. Participants reported that some second and third generation migrants were using the internet to search for information on their family's country of heritage, unmediated by mainstream media.

New communications technology means that individuals are increasingly being directed to news through social networking sites, as friends and colleagues suggest online stories of possible interest. New technology and developments in the media also enable an increasing customisation of the content provided to a consumer. This can increase some people's knowledge of global affairs if they actively seek information and use the full range of outlets, but Beckett (2010) highlights that it is also possible that the increasing customisation of media consumption may reduce the level of common knowledge about global affairs.

He warns of the potential of a super-informed elite and less informed majority. Given the impact of global issues and processes on life in the UK, an informed public is important. If we want to ensure there is a UK public well informed about global issues, Beckett argues that we must foster mechanisms that promote the level and diversity of international news and encourage the consumption and production of it by all in society. This will require increased investment in resources for international journalism, public media literacy and action to reduce digital divides. Inequalities in access to the internet remain significant – not everyone has equal access to these global arenas and people on low incomes feature disproportionately in the groups without internet connectivity. Recent figures show that 30–35 per cent of people on the lowest incomes have internet connectivity compared with the national average of 71 per cent and nearly 100 per cent of those in the highest income brackets (www.statistics.gov.uk/cci/nugget.asp?id=868).

New communications technology can also provide a means for individuals and communities to hold local and major global organisations and groups to account, through what Dutton (2010) terms the 'Fifth Estate'. For instance, mySociety.com provides a platform for individuals to pursue local accountability and transparency. There are also civil society groups taking advantage of technology developments to organise globally, such as the Global Campaign Against Poverty, Avaaz and the United Workers Association. When the G20 met in London in 2009, more than 35,000 people marched in a demonstration organised by an alliance of 150 charities and unions calling on the G20 countries to 'Put People First', for fairness and for people on low incomes everywhere to be put first in decision-making. Communications technology enabled the UK demonstration to be coordinated with demonstrations across Europe, Asia and beyond.

Dutton reviewed the current evidence and data, concluding that when people do use the internet and social media, most tend to use it to source local information and contact friends and family nearby, facilitated further by the growth of 'hyper-local' websites catering for particular neighbourhoods. This trend can be a benefit to and reinforce neighbourhood-based community identities, as suggested by other earlier research (Haythornthwaite and Kendall, 2010, cited in Dutton, 2010). But it also raises the question of how far the internet can enable participation by people in 'global conversations'. Internet usage suggests that only a minority group either can or does access the opportunities to learn, connect and try to influence change through global links.

Global links building opportunities

Globalisation can bring opportunities as well as challenges for local areas; local authorities and devolved governments are exploring how global links can bring opportunities for their areas. Over 5.6 million British people live outside the UK, notably in Australia, Spain, the US, Canada, France and, increasingly, China, with a further half a million travelling for shorter periods each year (Finch *et al.* 2010). The Scottish Government has identified potential benefits of investment, transfers, trade, tourism, knowledge transfer and international influence by building links with Scots abroad (Scottish Government, 2009). JRF research by Briggs (2010) identified a number of approaches being taken. For instance, part of the Leeds City Council strategy aims to maximise the potential of the strong connections Leeds has to other countries through its diaspora communities. Many local authorities have international strategies that seek to attract students, investment and other resources such as global cultural events to their area. Recently, Liverpool City Council invested £700,000, along with a further £1.3 million from private sources, to promote Liverpool and its business and investment opportunities at the Shanghai Expo, an international event (Millard, 2010).

Briggs also highlighted the role of education, giving the example of Newcastle, where attracting students from other countries is a key element of its international plan. Newcastle City Council estimated that it generated an annual income of £23 million for the city by attracting foreign students. The top ten countries sending students to the UK in 2008–9 were China, India, Nigeria, Malaysia, USA, Pakistan, Hong Kong, Canada, Taiwan and Saudi Arabia. While students can cause pressures on housing and local services, they also clearly bring economic benefits in the short term, and in the long term they may well help to enhance connections with many of the UK's new priority partner countries. However, the new migration cap announced by the Government is likely to reduce the numbers of students coming to the UK to study below-degree-level courses.

Briggs stresses the need for greater understanding and evidence of the impact on poverty and local areas of these local and devolved government strategies to make international links. She also highlights the need for measures to ensure that current decentralisation plans do not exacerbate existing differences between local authorities in terms of their 'foreign policy' or international success. Given the potential effects of UK national foreign policy on local communities highlighted in her paper, together with the research by Collyer *et al.* showing that UK involvement in conflicts overseas can impact on communities here, Briggs also argues for foreign policy at the governmental level to take account of its local impact.

UK policy-making in a global policy arena: implications for addressing poverty and inequality

There has been a dramatic expansion in the scope and scale of global governance over the past few decades. In JRF papers, McGrew (2010) and Scholte (2010) outlined how this affects UK policy and practice on poverty. A rapidly evolving global and international regional governance complex involves governments, private agencies and public authorities. There are over 600 multilateral organisations, 7,000 informal clubs and summits and 50,000 non-governmental organisations (NGOs) considering areas from trade, peacekeeping, child poverty and communications standards to risk-based bank capital requirements, to name just a few. Some of the main bodies relevant to national policy and practice on UK poverty include the International Labour Organisation (ILO), the World Trade Organisation (WTO) and various United Nations (UN) agencies including UNICEF and the World Health Organisation (WHO), as well as regional blocs, most notably the EU.

The EU is particularly significant for the UK as Briggs (2010) points out, given that 40 per cent of UK exports go to countries that use the euro; and local authorities are responsible for delivering around 70 per cent of EU laws and policies that affect the UK. In addition, the EU is responsible for negotiating on behalf of the UK in some areas of global governance (for example, on trade in the WTO). EU funding also makes an important contribution to regeneration in the UK, with the European Regional Development Fund alone investing €3.2 billion (£2.8 billion) across England (CLG, 2009). The EU strategy 'Europe 2020' has committed to lifting 20 million people out of poverty across the EU as a whole by 2020.

Global governance provides a number of opportunities to support poverty reduction in the UK. McGrew (2010) argues that the most significant role may be that of surveillance – global institutions monitoring UK progress and government performance. For instance, progress in promoting child wellbeing is monitored by UNICEF, gender health inequalities by WHO, educational attainment and social mobility by the OECD, macroeconomic and fiscal performance by the International Monetary Fund (IMF) and unemployment and wage inequalities by the ILO. This opens the UK to international surveillance by international organisations, NGOs and think tanks, and their influence can be significant in public debate, as witnessed in recent years when the UK's poor performance in the UNICEF scorecard of children's wellbeing gained significant media coverage and public debate. Scholte (2010) argues that there may be benefits for UK-focused campaigns in linking more closely with the civil society movement focusing on global development issues and poverty. An event organised jointly in 2010 by JRF and the Institute of Development Studies identified many areas of common interest between people working on poverty in the UK and developing countries, with much scope for learning in both directions. Participants also recommended further work to explore how globalisation may be connecting the causes of poverty in rich and poorer countries. These connections may have implications for local solutions to poverty and their impact on other parts of the world (see report of the event at www.ids.ac.uk/go/news/call-to-uncover-growing-links-between-poverty-in-the-north-and-south).

The global human rights machinery also offers channels for groups to lobby for national policy change for poverty alleviation. JRF research on poverty and human rights identified opportunities and examples such as that for civil society associations to submit reports to UN human rights committees that supplement, and may possibly contest, the accounts that the UK government prepares (Donald and Mottershaw, 2009: 25–7). Donald and Mottershaw highlighted that some 30 UK citizen groups supplied shadow reports to the UN Committee on Economic, Social and Cultural Rights in 2009, and also that a submission from the Scottish Human Rights Commission drew attention to issues of inadequate housing and health inequalities. Similarly, trades unions and other civil society groups can take relevant complaints about working conditions in the UK to the various supervisory bodies that oversee the ILO conventions. UK activists could make still more use of these 'boomerang' tactics, taking local issues to a global level to affect the local, in their anti-poverty campaigns (Scholte, 2010).

However, the current focus of global governance when discussing poverty has been on that of poorer countries. Scholte argues that this means that global governance institutions underplay – if they do not completely ignore – poverty in advanced economies such as the UK. Thus, UK governments have not faced the sorts of pressures to tackle poverty issues that many global regulatory bodies have insistently put on governments in developing countries.

Another significant trend may be shifting power in global politics. The UK has had an influential position in many of the main global governance arenas – for instance, having had a seat on the UN Security Council for many years. However, the extent of western power in these institutions is already changing and is likely to diminish further in the future (McGrew, 2010). The implications of these shifts in power in global governance for the UK economy, trends in other areas and future policies on poverty, inequality and communities are not yet clear.

Finally, Scholte (2010) also highlights a very real challenge – how to ensure that people coping with poverty can influence global governance institutions. Indeed, the research by Hossain *et al.* (2011) showed that many people are aware of global influences on everyday life but have limited awareness of the functions of global governance bodies such as the UN, international credit ratings agencies or others. There is limited awareness of how global governance works, where decisions are made and how to influence them. This does not enable the perspectives of people in poverty to be part of decision-making in these arenas.

Conclusion

Globalisation affects many aspects of everyday life for people in the UK. It opens up opportunities for rapid contact between people around the world and increases the choices for some in work and in life as a whole. However, the increasing connections between people and global processes have not always been a positive experience for everyone. Globalisation has significantly different consequences for communities and households in the UK. This raises implications for policy, practice and research in a number of areas.

The global economy and experiences of work in the UK

The JRF programme found that some people experienced a heightened sense of anxiety about the security of their work and future employment opportunities for their children. They felt their working conditions had worsened with the increased use of contract and agency workers, and competition from migrant workers employed at lower salaries, sometimes overriding collective agreements. The financial crisis has exacerbated this.

The introduction of the EU Agency Workers Directive into the UK on 1 October 2011 should help address some of the employment issues raised by research participants, to ensure more equal treatment of agency and permanent workers. Close monitoring of how it is applied will be important, as will ensuring that people are aware of its contents and their rights under it.

This JRF research programme raises the broader question of what policies and practices best promote a combination of decent work, economic security and positive social outcomes in an open economy. JRF work on future labour markets is looking at some aspects of this key issue (www.jrf.org.uk/work/workarea/future-labour-markets). Discussion is also taking place in various policy circles, such as via the EU Employment and Growth Open Method of Coordination and peer review processes. However, future policy development in the UK may benefit from a debate involving a broader range of participants involved in economic and social policy about the approaches and experiences of different countries in managing an open economy while also tackling poverty and disadvantage.

The global economic crisis

People on low incomes in the UK have faced further hardship during the global economic crisis, as patterns of rising global food and fuel costs have been reflected in an increased cost of living at household level. Job losses and reduced hours have resulted in sudden changes in household income as local employment has also suffered. The research showed that people on low incomes are facing considerable hardship in these conditions, often experiencing additional hidden time and other costs in their efforts to cope. It emphasised the importance of flexible welfare support and also support from family, friends and local groups to enable people to cope. Close monitoring of the implementation and impact of the Government's proposed Universal Credit will be important to ensure that it makes welfare support flexible. Support to local groups who play a valuable role – but not without cost to them – in helping people cope is also important for them to be able to sustain their role in helping build local resilience to an economic crisis that has its roots in global processes.

Global influences on the cost of living for people on low incomes

Initial research suggests that global influences are having an impact on the cost of living for people on low incomes, which is rising faster than standard inflation indices. Further analysis is needed to explore the relationships in more detail, but the potential impact over the next ten years may be significant. More consideration is also needed of the range of options open to the UK to ensure that globalisation does not result in price trends which exclude people on low incomes from affording at least a minimum standard of living. Options include measures to influence prices, although these may be limited. Interventions to help people on low incomes to afford to buy certain things that are becoming more expensive could also play a significant role. In addition, it will be important to consider these price trends when making adjustments in benefits, tax credits, the minimum wage and public sector pay, in order to take more account of how the real minimum cost of living is rising.

Global connections and UK communities – challenges and opportunities

Migration and new communications technology have contributed to the extensive links between people in the UK and other parts of the world. Local and devolved governments are exploring how to maximise their global links for the benefit of their areas. It is important to carry out further analysis of the different approaches and impacts of these strategies to attract investments and to build social inclusion, and to consider how these could maximise benefits for disadvantaged people and places locally.

New communications technology enables global links, but it is not accessible or taken up by everyone – people on low incomes are significantly over-represented in the group without internet connectivity. The research shows that it is important that the Digital Inclusion Strategy maintains a focus on complementary skills, confidence and attitudes as well as access to technology, to ensure that people are equally able to take up the opportunities that new technology and global links can offer. Future projects could also usefully consider how civil society groups can make the most of linking with partners in other parts of the world, both to facilitate mutual learning and to develop analysis and action on shared global concerns relevant to poverty eradication.

Global links can raise complex challenges for local areas, particularly with the movements of people and rapid flows of information between local areas. The research has identified examples of good practice in local areas in responding to these challenges, which include the establishment of communities of practice and also distribution of information to frontline workers about external events of relevance. It is important to ensure that this sharing of good practice within and between local areas continues, and that this is complemented by signposting to useful resources at the national level.

UK policy-making in a global policy arena: implications for addressing poverty and inequality

Global governance covers a range of issues relevant to poverty and inequality in the UK. However, there is limited awareness of how it works, where decisions are made and how to influence them. Research suggests that there is more that civil society organisations and others could do both to build public understanding of global governance mechanisms and to use the opportunities these provide through their monitoring, peer pressure and learning functions to benefit UK communities and help to tackle poverty.

The JRF 'Globalisation, UK poverty and communities' programme suggests that the costs and benefits of globalisation are unevenly distributed, with people's experiences being influenced by their own and their local areas' history and existing resources and capacities. It raises the question: how can global processes be shaped in the UK, to avoid exacerbating existing inequalities, and to decrease regional and other differences in employment and wider social outcomes? This is particularly pertinent at a time when the Government is declaring its intention to increasingly devolve power to local areas. Further multi-disciplinary exploration of the potential and the limits of different players at the local, regional and national levels would help to inform future national and local policy in the UK, with the aim of contributing to poverty eradication and the creation of vibrant communities in the future.

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