

**Economics is the study of scarcity and choice. The world has limited resources, but humans have unlimited wants and needs. Economics is concerned with the systems society uses to try and solve this problem; and how scarce resources can be managed and allocated in order to best satisfy our human wants and needs. (NEF 2013)**

### **Some effects of Income Inequality in Northern Ireland...**

- People with the lowest income are half as likely as those with the highest income to be very satisfied with their health or to have a very good quality of life.
- People who rent in public sectors are nearly half as likely as those who own their own home to have a very good quality of life.
- People with no formal educational qualifications are half as likely as those with third level education to have excellent/very good health.
- People in Northern Ireland have lower levels of financial capability than those living elsewhere in the UK.
- A third of people here believe that they are only one month away from financial hardship should they face an unexpected expense or drop in income.
- Eight percent of people do not have a current account or a savings account, which is three times the average of 'unbanked' adults in Britain.
- The cost of a car, contents and buildings insurance is on average 39% more expensive in Northern Ireland than the average cost for households in Britain. (Consumer Council for Northern Ireland, 2011)

**"The stark reality is many poorer people pay more for everyday essentials such as energy, food and transport. As the cost of these everyday essential continues to rise and household incomes fall, the results can be devastating for many households"**

(Consumer Council for Northern Ireland, 2011)



### **More unequal times...**

Since 1979, a greater share of the nation's income and wealth has gone to top income groups, and in particular the very top than in the period before 1979. In contrast, a smaller share has gone to the bottom income groups, and in particular the bottom decile. This shift, in turn has been associated with growing levels of income poverty since 1979. (Mack & Lansley 2013)

### **Economic Justice**

Economic justice, touches the individual person, communities and wider society. It encompasses the moral principles which guide in designing of economic institutions. The ultimate purpose of economic justice is to free each person to engage creatively in the unlimited work beyond economics, that of the mind and the spirit. (CESJ 2012)

### **Economic Growth**

Economic growth, for so long the great engine of progress, has, in the rich countries, largely finished its work. Not only have measures of well being and happiness ceased to rise with economic growth but as affluent societies have grown richer, there have been long term rises in rates of anxiety, depression and numerous other social problems. (Wilkinson & Pickett 2010)

### Community Development responses to Economic Inequality

#### Participatory budgeting

Participatory budgeting is a tool for education, engaging and empowering citizens and strengthening demand for good governance. The enhanced transparency and accountability that participatory budgeting creates can help reduce government inefficiency and curb clientelism, patronage and corruption (World Bank, 2012).

Involving communities gives them greater understanding of the financial situation, how public spending works and includes their voices in creating solutions. Participatory Budgeting developed in Britain over the last decade during a period of economic growth. In the current economic context of diminishing public spending and hard budgetary choices, Participatory Budgeting is being used to make best use of available resources and assets in order to address collectively agreed priorities. As well as leveraging existing assets to generate more resources. (Elliott, 2011)

The benefits are – a redistribution of wealth, increased trust in local democracy, improved community cohesion and leads to funding being spent on services which are most needed/wanted in local areas (Elliott, 2011).

#### Social Enterprises

Social Enterprises have a social, community or ethical purpose but use a market-based business model. They provide goods or services on a not-for-profit basis but are financially self-sustaining. Like mainstream businesses they are helping the economy to grow by creating jobs which leads to increasing amounts of money being spent in the economy. They also make a significant contribution to well-being in society. By empowering communities, both socially and economically and helping them become more productive. However these are not appropriate for all organisations and do need significant time, expertise, and commitment.

#### A challenge for Community Development Practitioners

There is a continuing need to measure poverty and marginalisation, publicise their effects on communities, and identify how community development practice can respond. A system is required to gather up to date and usable evidence about the impacts of cutbacks and policies on local communities and specific groups” (Elliott 2011) (i)

Social justice can not be achieved without economic justice. As we challenge current economic thinking it is important that the relationship with social justice is emphasised.

#### Community Development and Economic Inequality

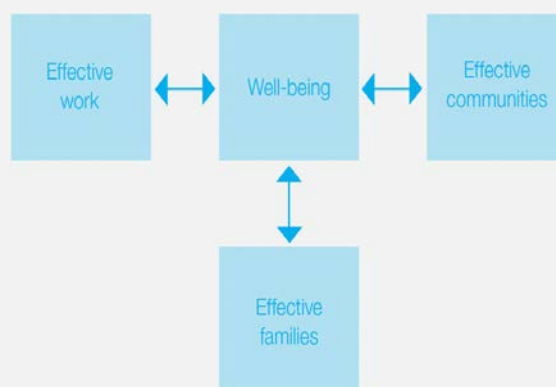
Community Development questions dominant authorities if they oppress or silences the real concerns of the people within their societies. It promotes collective action as a force for change which happens when people begin to make the links with their lives and the way in which society is structured.

The Spirit Level concludes with the statement that the future lies in improving quality of the social environment in society. This will not happen unless there is a better understanding and argument against the way in which consumerism and the economy are promoted as measures of success within society. (Wilkinson & Pickett 2009)

#### Economy and Wellbeing

The model below (NICVA, 2012) demonstrates the link between a good economy with healthy and effective families and communities:

**Economic growth** is not the most important measure of a country’s success. The fair distribution of health, well-being and sustainability are important social goals. (UCL Institute of Health Equity, 2010) ‘Fair Society, Healthy Lives’ reinforces this as it questions monetary growth as a measure of success and suggests looking beyond economic growth towards measurements of wellbeing as positive signs of growth for a society. (Marmot Review 2010).



#### References

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