The ESRC invests over £165 million per year in research on issues that affect everyday life in Britain. Here are some of those key issues discussed by leading opinion-formers.

YOUR VIEWS: We'd love to hear what you think about Britain in 2016. To fill in a short survey, please go to www.esrc.ac.uk/britainin2016
**AUSTERITY**

**FEELING THE SQUEEZE**

Who are the winners and losers as the government’s policies around welfare, taxes and wages continue to bite or benefit?

This year we may finally get to find out whether we are truly ‘all in this together’ or not. After a decade of stagnation, wages for many workers are finally rising again. There is an above-inflation hike in the national minimum wage - now misleadingly re-labelled a ‘national living wage’ - to be paid. And there is continuing reform in welfare spending, with tax credits for the low paid being cut and further bumps in the road that is supposed to lead to Universal Credit.

To some extent the government may be making progress towards its aim of building a ‘higher wage, lower tax, lower welfare society’. The problem is getting the sequencing right. Low-paid working households are going to be hit hard by cuts to tax credits that are happening now. This may only just be compensated for in five years, if employers are able to reach the declared aim of a £9 an hour minimum (sorry, ‘living’) wage. It will be pain before gain for the low paid.

Meanwhile, at the opposite end of the income distribution (where the High Pay Centre focuses most of its attention), there is happier news, for some. The average salary for a FTSE100 chief executive is now around £5 million a year, 183 times the salary of a median full-time worker.

What sort of gap or ratio is extraordinarily high by post-war standards. It does not seem to point to a world in which we really are ‘all in this together’. Is it sustainable? Well, it is being sustained, for now. But a growing divide between a very fortunate top, a moderately comfortable upper middle, and a permanently squeezed majority below does not sound like a recipe for social cohesion and general wellbeing.

‘Together?’ More like every man and woman for himself/herself.

**RENEWABLE ENERGY**

**GETTING A GREEN LIGHT?**

Can David Cameron’s promise to be the greenest government ever really come to fruition?

In my role as a wildlife presenter I’ve been lucky enough to witness fantastic UK nature spectacles, which have shown me how precious our natural world is and how urgently we need to tackle the serious challenges facing it. Our response to the threat of climate change must in large part be measured by how effective we are at switching to green energy. Tackling that challenge must be a central task for the government. But support for fracking and the failure to plan effectively for renewables place wildlife and the special places that support them - on land and at sea - at risk.

So real leadership is key to avoiding the risk that government failure on renewable energy will hold back progress on a low-carbon future. The prime minister has pledged to seek a successful outcome at Paris that gives our planet a chance of not being cooked by runaway climate change. It is vital that domestic action underpins this global ambition.

In parallel to the climate crisis is the equally serious threat to the variety of life on Earth. Governments across the UK can’t ignore the loss of species. In 2016 the second State of Nature report will be published by an extensive and authoritative partnership of organisations. This will build pressure for action by governments, businesses and landowners as well as conservation organisations. I want my children to grow up in a time where there’s a positive future for wildlife and the natural world. That will require action across the UK in England, Scotland, Wales and Northern Ireland.

Wildlife, of course, doesn’t recognise political boundaries. One of the biggest challenges for the future for nature in 2016 is ensuring that the European Nature Directives (the laws that save nature) aren’t weakened through ill-judged reform, and are properly implemented.

**STEVEN STERN**

DIRECTOR OF THE HIGH PAY CENTRE

‘Low paid working households are going to be hit hard by cuts to tax credits’

**MIRANDA KRESTOVNIKOFF**

BBC TV PRESENTER & RSPB PRESIDENT

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**TURN TO P53 & 114 FOR MORE ON WAGE AND BENEFIT ISSUES.**

**TURN TO P76 & 84 FOR MORE ON GREEN ENERGY.**
THE TRAVEL TRILEMMA

With plans for HS2 and airport expansions still very much on the agenda, opposing camps continue to clash.

The prospect of a new age of the train, with the promise of fast, clean journeys, has been characterised as ripping up some of England's finest countryside in exchange for saving 20 minutes between the capital and the Midlands. But HS2 is much more about easing the 'squeeze' on the existing West Coast main line and promoting economic growth. Opponents, however, are legion.

The runway row is even more complex. While the UK has plenty of aviation capacity, most passengers still head for London. After decades of avoidance, the last government commissioned research by the Airports Commission. After three years, it concluded a third runway at Heathrow was the best option. Yet key figures remain opposed: Boris Johnson and the Tory hopeful to succeed him as mayor, Zac Goldsmith, as well as the local MP and shadow chancellor, John McDonnell.

Gatwick believes it is still in with a shout for a second runway when the transport secretary finally rules. Then the fun really starts, with lawyers jostling for business in the planning battles and judicial challenges that will surround airport expansion and HS2.

Many countries would love these problems - running at full capacity is a badge of transportational success. But they are also amazed to see us struggle with the conflict between local politics and national need.

Infrastructur,e our inadequate infrastructure is extraordinary: in the past 20 years, rail passengers using Britain's Victorian rail network have doubled, and Heathrow and Gatwick extract far more movements than any other two-runway and single-runway airport, respectively, in the world. Yet there are limits and we are close to reaching them, which is why the battle lines are drawn for an extra runway for south-east England, and High Speed 2, set to whizz from London through the Chilterns to Birmingham.

As a nation of travellers, we like to complain. Yet the quantity of journeys made with our inadequate infrastructure is extraordinary: in the past 20 years, rail passengers using Britain's Victorian rail network have doubled, and Heathrow and Gatwick extract far more movements than any other two-runway and single-runway airport, respectively, in the world. Yet there are limits and we are close to reaching them, which is why the battle lines are drawn for an extra runway for south-east England, and High Speed 2, set to whizz from London through the Chilterns to Birmingham.

The conditions mean little because once you're out exercising you don't feel the cold. If needs be, get dressed for the occasion. If you're appropriately kitted out you can enjoy it no matter what. Take cycling - make sure your bike is fit for purpose, you've got lights on, you've got warm, dry clothing and you can still have just as much fun when it's cold as any other time of the year. And that goes for all sports.

Turn to p46 & 56 for more on the Olympic legacy.
You’re an exemplar for a generation usually ignored on our screens. How have you achieved this?
I work hard and enjoy what I do so much, and that comes through. Also, if you look, there are many people in their seventies and eighties doing fantastic things on our TV screens, and away from them too.

Are we offering enough to the older generations?
In terms of opportunities, older people have much more than ever before. If they choose to, they can embrace all manner of activities. It’s much the same with children - there is a whole world of opportunities for them to explore before they’ve even left school. But what it comes down to is a desire to seize that opportunity and do something. You can’t force people to do that.

But you have often been quick to encourage them to...
If you retire, for example, there is a danger of slowing down too much - you can lose your purpose. It was something I recognised and I take it quite seriously. When you retire, if you just sit back you will have an unhappy time. You’ve got to take up a sport, help with a charity or something else, but planning for a retirement isn’t just about planning to relax. For me, it’s about being active, and the best form of keeping active is walking - getting out there in the fresh air. I also love helping people, being part of the village or the local area. Don’t just watch TV!

What about the financial side of retirement? People are working longer than ever.
Times are tight but it’s an ageing generation that I believe is being smarter with money. Take something like Bake Off - it opens up ideas for people. We know there isn’t as much money in people’s pockets, so why not bake our own marvellous, tasty bread or cake instead of buying it?

Do you see yourself as a role model?
I don’t. I’m just doing something I’m passionate about. This has been my life, so it would be peculiar to stop baking. It is really just who I am.

Turn to p96 & 99 for more on issues about the elderly.

The greatest flaw in the present government’s view on immigration is that it is a homogeneous entity – but it’s many things. There are people like me who come from the rich world, people from EU countries like Poland who come here because there’s work, and there’s the tragedy of refugees, with very different reasons for seeking a new home - and for which we need a pan-European solution. And yet all these people and many other types are lumped together - and from that we try to extract an ideal number to admit. Let’s say 100,000 people - you might as well say there should only be 100,000 red-headed people.

I came to the UK in 1972 as a tourist but I met a nurse, fell for her, and Britain. I got a menial job in a hospital – I was only permitted to take a job that British people were reluctant to do but was socially useful - and every six months, for five years, I went to a Home Office building in Croydon to demonstrate I was behaving myself. That’s a pretty good system.

I have no idea what the carrying capacity of Britain is, but I’m yet to be convinced that more people coming over here is a negative. I accept that there has to be a limit but, day-to-day, immigrants make my life better – from cleaning cars to working as doctors. Britain has also become infinitely more cosmopolitan in recent decades. And even where there are racial tensions, they often seem to be between segments of British people, such as white Britons and Asian Britons. People forget that immigration only lasts for a generation.

Immigration fills our country with vitality and variety. But if I arrived in Britain now, I wouldn’t be allowed to stay - a personal tragedy for me, and a small loss to the nation perhaps? Not least because of the loss of my income tax. Under current policies, we risk excluding thousands who could contribute to the country in a host of ways. Whatever our policy becomes, it shouldn’t be just based on a body count.

Turn to p18 & 47 for more on immigration.
UNEMPLOYMENT

YOUTHFUL PROMISE

What key strategies could help decrease the numbers of persistently unemployed youth in the UK?

The number of young people struggling to find work has reduced from the newsworthy million of a few years ago. But the figure has wavered around the 700,000 mark for a year. This ‘freeze’ is worrying, not least for those whose lives are on hold. Yet it is not entirely surprising. At the height of the recession, even young people with excellent qualifications, employability skills and family support were struggling to find work. Many have now taken their first steps on the career ladder but not all young people can take up the jobs that have become available. Too many are trapped by poor qualifications, difficult family circumstances, low self-esteem, poverty or mental health issues. Without the right support, they will always struggle to find work and to make a contribution to society.

At The Prince’s Trust, we meet many young people who feel that their past will define their future. Our research shows that young people with fewer than five GCSEs (A*-C) are more than twice as likely as their peers to believe they will ‘never amount to anything’. And young people who struggle at school are more likely to become long-term unemployed.

The House of Lords will publish evidence in March 2016 looking at social mobility in the transition from school to work. A focus on this could be the key to reducing future youth unemployment. We must see better careers guidance for those who can’t turn to family or friends for advice, and help young people gain meaningful work experience in sectors where there are jobs available, and place equal emphasis on educational qualifications and employability skills.

At The Prince’s Trust, we’ve helped over 825,000 young people break the cycle of unemployment in the last 40 years. With support from the government, employers and the general public, we can all continue to do the same in 2016. Turn to p90 for more on youth issues.

MARTINA MILBURN CBE
CHIEF EXECUTIVE,
THE PRINCE’S TRUST

‘A focus on social mobility could be the key to reducing youth unemployment in the future’

BIG SOCIETY

BETTER CONNECTIONS

We are all encouraged to ‘pay it forward’ – help others without expectation of payment. How is this working online?

The sharing economy is a slightly misleading umbrella term for a host of companies that are working in different ways. Some high-profile examples, like accommodation site AirBNB and taxi network Uber, should be considered more as examples of a rental economy than a shared economy. But there is undoubtedly a wider movement happening where more peer-to-peer connections are being made through the internet, and that’s an interesting change from business as we know it.

My own business in this space, Impossible.com, launched at the end of 2013. We started out with a broad proposition about giving or sharing, but as we developed we focused specifically on skill sharing. Through the site you can request or offer help from the community for free; some of the commonest examples are learning languages, translation, writing and editing.

In areas with a density of members, like London, people might use it to offer furniture, tickets to gigs or personal music lessons. But even as our economy improves, the sharing model offers an insurance policy, so that we’re not wholly dependent on a single financial system that has failed in the past. Turn to p109 for more on giving in society.

LILY COLE
MODEL & SOCIAL ENTREPRENEUR

‘More peer-to-peer connections are being made through the internet’