

## **How is the UK tackling child poverty?**

### **Abstract**

This is the text of a talk given in Tokyo in November 2010. It discusses the 'rediscovery' of poverty in the UK in the 1960s, and then the 1980s and 1990s, when both poverty and inequality rose rapidly. It then focuses on the more recent period from 1997 to 2010, when Labour was in government, and was committed to tackling child poverty. This is followed by a description of the Child Poverty Act 2010 and a brief look at the policies of the new coalition (Conservative/Liberal Democrat) government. The talk concludes by outlining the current issues and challenges facing those concerned about child poverty in the UK today.

**Fran Bennett,**  
**Senior Research Fellow**  
**Department of Social Policy and Social Work, University of Oxford**  
**Barnett House**  
**32 Wellington Square**  
**Oxford OX1 2ER**  
**Tel: 00 44 1865 270325**  
**Fax: 00 44 1865 270324**  
**Email: [fran.bennett@socres.ox.ac.uk](mailto:fran.bennett@socres.ox.ac.uk)**

### **Introduction and background**

Although I am currently a (half-time) senior research fellow in the Department of Social Policy and Social Work at the University of Oxford, this talk also draws on my past experience of working with non-governmental organisations (NGOs). I have been involved with ATD Fourth World, an international human rights organisation working with families living in persistent poverty, for over thirty years, since working for them in 1976/77. I was first deputy director and then director of the Child Poverty Action Group (CPAG) for a decade, from 1983 to 1993. From 1994 I was involved with the setting up of Oxfam's UK Poverty Programme, and I worked for Oxfam as a policy advisor on poverty from 1998 to 2001. I have remained involved with both CPAG and Oxfam since then, and do research and policy analysis for them and others in the non-academic half of my time. I am also one of two UK 'independent experts' (with Prof Jonathan Bradshaw) on social inclusion for the European Commission.

### **UK: child poverty from the 1940s**

For some years after the Second World War in the UK, prosperity appeared to have been achieved, society was growing more equal and poverty was not a live issue. In 1957, Harold Macmillan, then Conservative prime minister, said 'Let us be frank about it: most of our people have never had it so good'. But in the 1960s there was a 'rediscovery of poverty' (Abel-Smith and Townsend, 1965) and homelessness, and several new single issue pressure groups were set up at that time to highlight these problems and to argue that poverty was a structural issue rather than being due to someone's genes or personality failings.

During the 1970s, social provision for low-income families was improved and increased. The Child Poverty Action Group played a crucial role in the introduction in 1977-79 of child benefit, which brought together the benefit for children (family

allowances) and child tax allowances, and was paid on a universal basis for all children and direct to the mother in most cases.

As the 1970s wore on, however, following the visit of the International Monetary Fund which dictated public expenditure cuts, poverty and inequality began to rise, as the Joseph Rowntree Foundation later established (JRF Inquiry Group, 1995). And following the election of the Conservative government under Margaret Thatcher in 1979, public expenditure came to be seen as the main cause of Britain's economic problems, and in the recession of the early 1980s benefits were scaled back significantly (though due to the recession itself, spending was not necessarily reduced).

During the Thatcher years in the 1980s, anti-poverty campaigners played a largely defensive role. 'Poverty' itself was a word that was reportedly not allowed to be used in government documents; and a minister described relative poverty as merely another name for inequality. Both poverty and inequality increased rapidly during this period – not only because of government policy, but that was a key contributing factor. John Major's Conservatism in the 1990s was different from Margaret Thatcher's and he promised to retain child benefit as well as ending the unfair 'poll tax'.

In 1997, 'New' Labour won the general election, but inherited a situation in which nearly 1 in 3 children were living in relative income poverty. At first Labour implemented cuts in public expenditure announced by the Conservatives before they left office, including abolishing a benefit for lone parents. In addition, there was a focus on social exclusion; this sometimes slipped over into 'underclass' labelling.

### **Labour tackling child poverty, 1997-2010**

In 1999, Tony Blair said that Labour was aiming to end child poverty by 2020 (Blair, 1999). The government consulted on how to measure success in this bold aim, and set in place interim goals for departments – and for the government as a whole to bring about a reduction of a quarter in child poverty by 2004/05, and of a half by 2010. The measure for this main target was also the 60 per cent of median income poverty line (before housing costs).

The government began to develop an array of policies to achieve this (Hills et al, 2009). Child poverty was described by Gordon Brown (Chancellor and then Prime Minister) as 'a scar on the soul of our nation'. So there were policies which focused on child poverty in the present. These included those which encouraged more people into paid employment and also tried to 'make work pay'. Incomes were also increased for families with children out of work. And improvements in services were also pursued.

But Gordon Brown also described children as '100 per cent of our future'. So the government also introduced policies aiming at eradicating poverty in the longer term, which included investment in early years services, changes to education policies and measures to support (or change) parenting practices.

The UK was pleased to see that it had progressed up the European Union league table of relative child poverty to be fifth from bottom rather than at the very bottom (though

this was in part due to some other countries' performances worsening). European Union had a focus on child poverty and wellbeing as a key theme in 2007.

Third Way policies (Giddens, 1998) emphasised investment and equal opportunity, rather than redistribution to achieve more equal outcomes, and New Labour tended to try to redistribute quietly – doing good by stealth, rather than making the political case for action against poverty and inequality more openly. Although its understanding of poverty was multidimensional, the major measures by which it judged its own performance were related to income.

During the first two terms, the incomes of low-income families improved, and material deprivation and child poverty were reduced. This was a considerable achievement, especially in relation to developments in the US (Waldfoegel, 2010). But after 2005, the diversion of additional resources to low-income families with children was not pursued at the same pace, and these improvements either slowed or were reversed (Hills et al, 2009). Although the government just missed its target of reducing child poverty by a quarter by 2004/05, and looked likely to miss completely the reduction by a half by 2010, it decided to put in place legislation to bind any future government to the goal of eradicating child poverty by 2020. So it passed the Child Poverty Act 2010 – before losing the general election in May.

### **Child Poverty Act 2010**

Yvette Cooper, the then Secretary of State for Work and Pensions, said in 2009 when introducing this Act:

‘We know that no law alone can end child poverty, but the Bill will help to hold the Government’s feet to the flames in pursuit of a fairer Britain. It will demand of governments, now and in the future, determined action to cut child poverty and to stop children being left behind.’

The Child Poverty Act bound whatever government was in power to several child poverty targets, to be met by 2020 :

- relative low income (children in households living on under 60% of the contemporary median disposable income, before housing costs): to be brought down to under 10%
- absolute low income (under 60% of the median income as it was in 1998/99, before housing costs): to be reduced to under 5%
- low income (under 70% of the contemporary median income before housing costs) and suffering a certain degree of material deprivation: to be brought down to under 5%

There would also be a target on persistent low income (often defined as living on a low income measured in relative terms for several years at a time) but this target was to be developed by 2015.

The Act commits all future governments to develop a strategy to tackle child poverty by March 2011 (a year after the Act was passed), to ensure as far as possible that children do not suffer socio-economic disadvantage. This could be argued to go much wider than the income and material deprivation measures outlined above, and the Act specifies various elements of policy as being relevant, ie :

- employment and skills of parents
- financial support for children and parents

- information, advice and guidance on parenting
- health, education, childcare and social services
- housing, environment and social inclusion

So a broad-based strategy is envisaged; but the specific targets are narrower, as outlined above, being based on income and material deprivation alone. It could also be argued that these measures are directed towards those policies which affect the immediate present rather than the longer term.

The Act also made provision for the appointment of a Child Poverty Commission to advise the government, and for the government to consult children or those organisations representing children and parents as appropriate about the strategy. The government must give annual reports to parliament on its progress on the child poverty strategy – which must be refreshed every three years.

There is also a local angle to the Act. The devolved administrations in Scotland and Northern Ireland must develop their own strategies (Wales having developed one already). But in addition, local authorities and their partner organisations must conduct child poverty needs assessments in their area and develop child poverty strategies at a local level. The current government is not issuing any guidance or regulations for local authorities about how to do this, believing it is better to let them develop their own ideas.

What are the limits of this legislation and the criticisms which have been made of it? First, child poverty groups have argued that in addition to the policy areas outlined above, attention should also be paid to job quality. And (as with social inclusion policies in the European Union) there is no reference to taxation despite its relevance to child poverty. There is also a clause which allows the government to take economic and fiscal circumstances into account when considering its child poverty strategy. There were criticisms that the targets had been watered down compared with previous undertakings, which seemed to suggest bringing material deprivation down to zero and being amongst the best in Europe (which at that time meant having child poverty rates of some 5% or less).

### **Coalition government 2010-?**

The Conservatives had committed themselves to the child poverty target by 2006. They said that they accepted a relative definition of poverty, no longer equating it with inequality (as a previous minister had in the 1980s), but also expressing concern about inequality itself. In the pre-election period, they positioned themselves as critics of Labour for its failure to tackle severe child poverty in particular and what they saw as its fixation on income. David Cameron said in 2008: ‘I want the government I aspire to lead to be judged on how we tackle poverty in office. Because poverty is not acceptable in our country today’.

Following the indecisive result of the general election in May 2010, a coalition government was formed by the Conservatives and Liberal Democrats. The Child Poverty Act binds the government to efforts to make progress on the child poverty target, and in the first Budget the new Chancellor referred to this explicitly. However, the Conservatives in particular in their diagnosis of the causes of poverty put more emphasis on behavioural problems, such as drug abuse, as well as family breakdown

(Lister and Bennett, 2010). Poverty is often in practice bracketed together with 'dependency' (meaning that they claim benefits or even tax credits for those in work on low incomes).

The political choices made by the coalition government about how to cope with the financial crisis and recession have meant that drastic cuts to spending are being implemented, which seem to be targeting families with children in particular. The government has claimed that the comprehensive spending review, announced on 20 October, will have no 'measurable' impact on child poverty over the next two years, thus proclaiming its compliance with the Child Poverty Act. But this says nothing about the impact of the cuts after that period. And it appears not to take into account many of the cuts being implemented by the government, because the Treasury says it is not possible to include them in its model.

At the same time, an independent review being conducted by Frank Field MP (former director of CPAG) is investigating how to develop an index of life chances for young children to measure wider progress (see, for example, Feinstein, 2003). He is emphasising parenting and early years services. Of course many factors in children's lives are important in addition to income. But there does not seem to be sufficient recognition of the impact of low income on parenting potential nor of the way in which additional income can improve parents' mental health and result in spending that benefits their children (Lister and Strelitz, 2008). The danger is that 'not just about income' may mean that income is downplayed, instead of lack of resources being accepted as being at the core of poverty (Lister, 2004). The government has indicated that his review may be important for the future shape of its strategy on child poverty.

### **Current issues and challenges**

The coalition government analyses the previous Labour government's approach to child poverty as one-dimensional, focusing on income only, and analyses it as failing because of that. In fact, as we have seen above, the previous government had a multi-pronged strategy; and academics have suggested that child poverty stopped falling because the momentum of its efforts to improve low incomes slowed after 2005 (Hills *et al.*, 2010). The emphasis on parenting and on behaviour may lead to a 'deficit model' of parenting in poverty, rather than a recognition of the reserves of endurance needed by parents who are struggling to give their children a decent upbringing without the resources which they need to do so.

However, the coalition government aspires to be 'fair' in terms of how it deals with the country's deficit. Nick Clegg, the Liberal Democrat deputy prime minister, has stressed that 'fairness' is not just about income. But to many commentators the impact of the cuts in both benefits and public services on those living on low incomes is a key issue. This will be a continuing battleground for some time to come.

The key questions which Green (2005) identified as facing CPAG were how best to help embed progressive policies and ensure the sustainability of anti-poverty action. These issues could not be more relevant in the UK at this time, with the coalition government legislatively committed to making progress towards meaningful reductions in child poverty, but with political as well as financial pressures threatening this commitment.

## Sources

Abel-Smith, B. and Townsend, P. (1965) 'The Poor and the poorest: a new analysis of the Ministry of Labour's Family Expenditure Surveys of 1953-4 and 1960', *Occasional Papers on Social Administration 17*, Bell

Blair, T. (1999), Beveridge lecture, 18 March

Feinstein, L. (2003) 'Very early', *Centrepiece* (summer), Centre for Economic Performance, London School of Economics, pp. 24-30

Giddens, A. (1998) *The Third Way: The renewal of social democracy*, Wiley Blackwell

Green, K. (2005) *Sambell Oration* (Brotherhood of St Laurence, Australia), 7 December

Hills, J., Sefton, T. and Stewart, K. (eds.) (2009) *Towards a More Equal Society? Poverty, inequality and policy since 1997*, Bristol: The Policy Press, especially chapters by Stewart (two) and Sefton

JRF Inquiry Group (1995) *Income and Wealth: Report of the JRF Inquiry Group*, York: Joseph Rowntree Foundation

Lister, R. (2004) *Poverty*, Cambridge: Polity Press (and personal correspondence and discussions)

Lister, R. and Bennett, F. (2010) 'The new "champion of progressive ideals"? Cameron's Conservative Party: poverty, family policy and welfare reform', *Renewal* vol. 18, issue 1, pp. 84-109

Strelitz, J. and Lister, R. (eds.) (2008) *Why Money Matters: Family income, poverty and children's lives*, London: Save the Children

Waldfoegel, J. (2010) *Britain's War on Poverty*, Russell Sage Foundation