

Child poverty: political consensus or electoral battleground?

There is now a political consensus now exists that high levels of child poverty in the UK are unacceptable.

However, while all three parties support the Child Poverty Bill and its commitment to eradicate child poverty by 2020, differences of interpretation

and approach are emerging about the causes of poverty and how best to reduce it. In this article, Jamie Reed MP for Labour, Andrew Selous MP for the Conservatives and Steve Webb MP for the Liberal Democrats analyse the issues and outline the policies their parties will be pursuing.



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considering what Labour should do to accelerate our war against child poverty, one fact above all should be borne in mind: the longer it takes to defeat child poverty, the harder victory will become.

More often than not, poverty – whether cultural, familial or individual – begets poverty. With this in mind, the ten-year target of abolishing child poverty by 2020 seems exceptionally ambitious, and it will require a series of social and economic policy measures to ensure that it is met.

Health outcomes are one of the single largest indicators of poverty in any area. It is a fact that poverty reduces life expectancy – equally true that the health effects of poverty begin even before being born. There is a compelling case then for NHS resources to be targeted more effectively in the fight against poverty.

The journey from the maternity ward to the shadows of poverty is a quick one – and it begins the second a child is born into a family living in poverty, whether their poverty is relative or absolute. The NHS ensures that all of our children are born equal, but this equality withers the instant a child leaves hospital.

Housing issues also require radical attention if we are truly to beat child poverty, and not merely address its symptoms. It has been long acknowledged that overcrowded housing stunts the development of children socially and educationally and, therefore, embeds many of the attributes which help to feed cultural poverty and deepen child poverty. Breaking the cycle of poverty, and of more children being born into poverty, means building more homes where they are needed, providing more living space for children where they can learn, grow, study, and enjoy a richer and stronger family life.

In school, more early intervention needs to take place to better identify children living in poverty and then to take the necessary steps to help not

The Labour view: We can choose to end child poverty

Forty years after conquering the moon, that we should still be discussing child poverty in the world's fourth largest economy at the start of the twenty-first century is a savage indictment of our society and the choices that we have made. In this country of wealth and abundance, the existence of poverty – and child poverty in particular – shames us all.

No child chooses to live in poverty, and nowhere in this country is it inexorable or unavoidable. In

only the child in question, but also the family unit. Early Years, Sure Start and other initiatives must be maintained and financially supported from public funds – but more can and should be done. A commitment to nurture-group provision in every school would, experience suggests, reap superb rewards in identifying and addressing issues associated with child poverty and with effectively solving these issues – for example, parental unemployment, family breakdown, drug and alcohol abuse, lack of educational attainment and so on. It is important that family units of whatever type, size and shape receive the help they need to ensure their children do not grow up in anything resembling child poverty.

Effective support for a variety of family units will always do more to help beat child poverty than providing tax incentives for marriage. Although well intentioned, such a move would divert resources away from children, effectively punishing children for the relationship choices made by their parents. This can never be right and the risk of giving moral sermons about marriage to the parents of children living in poverty runs the risk of driving the very children and families we need to help out of the light and into the shadows.

With this in mind, the taxation system, as well as the benefits system, should be used in the fight against child poverty. There is no doubt that incentivising employment does work – it helps to break the cycle of cultural unemployment, it encourages self-independence and aspiration, and it offers hope. Tax credits have undoubtedly helped in this regard, but now we should consider going further and faster. How? Assuming mechanisms can be found which ensure that working parents and therefore their children do not stay ‘trapped’ at a particular income level, then serious consideration should be given to taking the working parents of the poorest children out of the taxation system altogether. The children of Britain who live in poverty never gambled the financial security of the UK on the international money markets.

In the years between 2010 and 2015 the UK economy will improve and the deficit will reduce. A key feature of this recovery over this period is likely to be the release of certain banks from public ownership, meaning that tens of billions of pounds will have been returned to the Exchequer. The policies required to defeat child poverty should have first call on these resources, and the money required to fund the policies which will reduce and eventually eradicate child poverty must be ring-fenced.

The fight against child poverty in Britain is about the kind of country we want to be, and it is a fight we must win. ■

Jamie Reed MP is the Labour Member of Parliament for Copeland

A Conservative approach: Focus on families

I am proud to be serving in a party whose leader, David Cameron, has said he wants the government he aspires to lead to be judged on how it tackles poverty in office. Those sentiments are nothing new for this party. From Shaftesbury to Disraeli, from Stanley Baldwin to Rab Butler, we have always seen the relief of poverty and the improvement of the conditions of all the people as a core part of our purpose.

Conservatives in Parliament are supporting the Child Poverty Bill in its passage through Parliament. We want to make it a better Bill so that it focuses policy on dealing with the deep-seated causes of poverty and also reverses the recent increase of 400,000 children in poverty since 2004. We think that this increase in child poverty calls for fresh thinking, which the Bill alone with its statutory targets fails to provide. Our determination is to tackle the root causes of poverty which have often kept several generations of families in poverty.

Labour and the Liberal Democrats have attacked some of our focus on dealing with the causes of poverty without offering any new or radical thinking from their benches. This is disappointing, given that the Joseph Rowntree Foundation has said that ‘the strategy against poverty and social exclusion pursued since the late 1990s is now largely exhausted’.¹

We know that to eradicate poverty you have to create more wealth and make sure it is fairly shared. You cannot defeat poverty through the welfare system and the tax credit system on its own. So, the people who start and grow businesses will be in the front line of Conservative plans to combat poverty – we will need to pay special attention to those areas of our country which are job deserts, where almost no one works. Some local authorities, like Kent, are taking the lead in this area, and we want to see that best practice spread across the whole

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country. We recognise also that part-time and flexible work is vital for many people who have been out of work and who can not immediately cope with full-time work.

We believe that the success of welfare reform policy in getting people back to work is critical to defeating child poverty. CPAG has itself said that a 'personalised, multi-faceted service is required to assist jobseekers successfully into employment',² which is exactly what our party policy of welfare reform offers, based on the original proposals of my fellow Conservative frontbencher Lord David Freud. We also need a benefits system that works to incentivise work more for the lowest paid and that is what David Cameron has asked George Osborne and Theresa May to work on.

We are passionate about ensuring the most disadvantaged children can improve their life chances through education. We will introduce a pupil premium to make sure that extra funds follow the poorest children to the school that educates them. In addition, we recognise that early interventions in a child's health and development are crucial, something that both Graham Allen MP and Iain Duncan Smith MP have focused on in their work, from both sides of the Commons.

We also believe that addiction to alcohol and drugs is a significant cause of poverty. Britain has the worst drugs problem in Europe and one of the highest levels of child poverty. Around 1.5 million children are growing up in substance-abusing households, over a million with parents abusing alcohol and around 350,000 where there is drug taking.³

Child poverty reduction targets are unlikely to be met unless the UK tackles addiction more effectively. Some addicted parents are using earnings, tax credit and benefit income to fund their addictions. We see policy on tackling addiction as critical to tackling child poverty.

The Department for Work and Pensions' (DWP), latest *Households Below Average Income* publication clearly shows (in Table 4.5) that there is double the likelihood of growing up in poverty as child if your parents separate: 36 per cent compared with 18 per cent for couple families. The impact assessment for the Bill also states that 'family breakdown may have caused the family to fall into poverty'. It was all the more disappointing, therefore, when DWP Minister Helen Goodman stated during the Bill Committee: 'The Government are not wholly convinced that family breakdown is a cause of poverty.'

CPAG research has also identified the separation of a couple as increasing the risk of poverty more than any other trigger, including job loss.⁴ Conservatives recognise that family breakdown is both a cause and consequence of poverty. It is no coincidence that the UK has both one of the highest rates of child poverty in Europe as well as one of the highest rates of family breakdown. Our policy will be to give families the support to help them stay together and make sure the benefits system does not work against this.

I look forward to the full engagement of both local government and the voluntary sector in the fight against child poverty, as ending child poverty is indeed everybody's business. Unlike this government, we will not prevent job centres from signposting what emergency support is available locally, given the demands the social fund is under. ■

Andrew Selous MP is the Conservative Shadow Minister for Family Welfare and Child Support

1 G Palmer, T MacInnes and P Kenway, *Monitoring Poverty and Social Exclusion 2007*, Joseph Rowntree Foundation, 2007

2 M Tomlinson and R Walker, *Coping with Complexity: child and adult poverty*, CPAG, 2009, p5

3 Social Policy Justice Group, *Breakdown Britain: interim report on the state of the nation*, December 2006, p55

4 M Tomlinson and R Walker, *Coping with Complexity: child and adult poverty*, CPAG, 2009, p3

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A Liberal Democrat perspective: Ending inequality

In the late 1980s and early 1990s I spent nine years researching child poverty at the Institute for Fiscal Studies. Witnessing year on year the appalling rise in child poverty, I decided to seek change by entering politics.

The motivation to end child poverty derives from the type of society we want to create. As noted in CPAG's *Ending Child Poverty: a manifesto for success*, our society should value children as much as GDP. Too often the need to tackle child poverty is presented solely on economic grounds, like stemming the waste of talent and potential, rather than on principle. If we reduce the argument to such terms of utility, we risk forgetting the human face of child poverty.

The Government's commitment to action in the Child Poverty Bill is very welcome. But meeting

the 2020 targets would still leave one million children in relative low-income poverty, in which case the Bill would hardly have achieved its stated aim of 'eradication'. Clause 15, requiring the Secretary of State to keep in mind economic and fiscal circumstances when devising a strategy, needs clarification so it is not a get-out clause. As things stand, the 2010/11 target looks as though it will be missed, and child poverty has increased since 2004/05.

To be effective, a child poverty strategy will need to include financial support for families, better provision of services for those on lower incomes, and helping people into employment. The Government has been using means-tested benefits to tackle the problem, but a complicated application process and system puts off many vulnerable people from claiming.

The tax credit system is complex and often ineffective. Administration of tax credits is plagued by overpayments, which Her Majesty's Revenue and Customs then attempts to recover by reducing future payments. Fixing payments for six months at a time (unless a family suffers a large, unexpected drop in income) would offer necessary simplification, as overpayments would be reduced and families would enjoy greater financial stability knowing what they will receive each month. We also want to help low-income families by raising the personal tax allowance to £10,000, funded by closing tax breaks for top earners.

Other measures which would help poor families include cutting the extra costs paid by poor people by allowing social pricing of utility bills, abolishing the higher charges incurred when utility bills are pre-paid, improving access to the social fund, and extending the winter fuel allowance to those on higher rate disability benefits.

Helping parents into work will likewise increase the disposable income of families in poverty. But to prevent more families simply being left in in-work poverty, they must be given the opportunity to progress in work through the provision of better quality jobs and skills training. The specific needs of both parents and children need to be taken into account. High-quality affordable childcare is one such need, and so I was pleased when the Government accepted my Bill amendment to include childcare as one of the building blocks that the Secretary of State will use in constructing a strategy.

We are also proposing a new £1.5 billion pupil premium, giving more money to all schools, and

especially targeting pupils with greatest needs – and spending up to £0.5 billion per year cutting class sizes for all younger children. This investment in education would help break the poverty cycle between generations, a crucial step if we are serious about 'eradication'.

Poor housing also plays a part in the poverty cycle. It hampers children's social participation, restricts them from achieving their full potential in education, and can cause health problems. No family should be forced to live in inadequate and cramped accommodation – we need an increase both in standards and in the number of homes available for rent from councils and housing associations. The Bill laudably contains a material deprivation target, but by measuring income before housing costs, it over-estimates the disposable income of families who live in regions where accommodation is more expensive (for example, London). Failing to measure household income after housing costs therefore ignores the poverty experienced by these families.

The Bill also risks under-estimating the poverty endured by families with a disabled member. Official methodology treats disability living allowance (DLA) as income, so a disabled person will be counted as better off than a non-disabled person on identical wages. This fails to acknowledge that the point of DLA is to meet the extra costs that the disabled person will face.

Another group lacking recognition in the Bill is children in care. Given that poverty is defined in terms of household income, it will admittedly be difficult to integrate these children into the targets. But that does not permit ignoring their needs. This highlights the vigilance required when using targets. They are helpful in giving us something tangible to work towards, but there is a danger that we let meeting the targets obscure, or even supersede, our original objective of creating a better society for all our children. It then becomes tempting to gloss over the more difficult cases.

To end child poverty, we need to end the inequality that has persisted since the 1980s, with the richest getting richer and the poorest becoming poorer. The longevity of inequality makes it clear that only drastic reform will do. The Child Poverty Bill represents a step forward in its recognition of an injustice and the obligation it places on society to confront that injustice. But much hard work remains to be done. ■

Steve Webb MP is the Liberal Democrat Shadow Minister for Work and Pensions

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