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**Speech in response to the Secretary of State at CPAG's AGM and debate**

**'Ending child poverty in a generation: what welfare state do we need?'**

**1 December 2008**

I am very glad to welcome you here today to join in this debate, part of CPAG's work programme on the welfare state of the future.

I agree with James Purnell that this debate needs to be framed in terms of progressive politics - the child poverty ambition, and enshrining it in law as the PM has promised, are bold symbols of that progressivism, which we should applaud. Putting the target into law is a sign of politicians' commitment – it's also a handy stick you've given us with which to beat you – we can make sure you stay up to the mark, demand you actively develop policies that help achieve the goal. It also means we will demand that every single government policy is poverty-proofed – and that applies as much as anything to welfare reform.

The thrust of welfare reform has been that work is at the heart of antipoverty strategy – and CPAG agrees: decent work is the route out of poverty for most families. But it has to be accompanied of course by decent support – and in this context you've asked me about the Nordic countries, you asked: isn't it reasonable to impose conditions when the services to enable parents to work are made available.

Let me address that in a number of ways.

First while recognising the efforts of the Government over the past 10 years, we remain light years away from having the services, the childcare provision, the family support, and fair and adequate family incomes achieved through decent pay and redistribution, that you see in the Nordic countries today. To impose greater conditions without the support is perverse, cruel, unjust and dangerous.

Second sanctions bear most harshly on the poorest, and DWP's own research shows people don't understand why they have been sanctioned – or even that they have. Not much use as a tool to change behaviour there.

Third, and self evidently, adequate incomes and an adequate safety net are a prerequisite for poverty prevention, for families in and out of work. But more, an enabling, active welfare state requires adequate incomes to enable full social participation (including looking for and holding down paid work – you won't be looking for work if you're struggling just to keep your head above water, you'll lack the energy and capacity to do so.) An adequate safety net is a prerequisite of an active welfare state, not a sign that it's failed.

Then we must look at what's required of employers, what's the workplace like. Decent pay, the opportunity to progress (which means employers must offer a structure for training and skills development), flexible family friendly work, autonomy in how you do your work – these are the obligations we should place on employers as part of the "deal" . But employers are largely missing from the UK welfare reform debate. Instead we face structural inequality in the labour market: the gender pay gap, the so-called ethnic penalty, the fact that disabled people

earn less at every level of qualification than those with equivalent qualifications without a disability. That is not a result of lack of individual aspiration – it reflects employer discrimination, geographic pockets of disadvantage, poor practice, and structural inequality, and all must be addressed.

And then there's the new big idea: personalisation, offering tailor made support for every individual – and we can broadly welcome that. But if personalisation is to give the individual empowerment and choice that James spoke of, it is totally at odds with greater conditionality and coercion – you don't force autonomy on people, you offer them support to achieve their aspirations and goals.

In particular, we must recognise the need to value the role of caring, and that parents and carers themselves are best placed to decide, must have the choice, as to when and whether they need to give priority to the caring role.

An empowering system must also offer dignity – both the processes and the language we use are important here. Remember, the claimant and the adviser will not be in equal bargaining positions, and to even up the balance between the vulnerable individual and the mighty state, we must secure independent advocacy and advice.

And the marketisation of employment services also carries risk, rewarding providers for achievement of possibly over-crude results. That does not support individual choice – or necessarily higher quality or more individual and imaginative offerings – CPAG's new briefing on contracting experience in other countries provides a lesson here.

Process needs to be clear, fair and transparent – but the current proposals for a single income replacement benefit look unlikely to achieve that if modelled on the employment and support allowance. That benefit is anything but simple – paid at three if not four different levels, a work capability test that is totally unproven in its fairness and reliability (but the record of its predecessor personal capability assessment certainly isn't encouraging). If we're truly interested in achieving greater simplicity we should look more to universal benefits, to the highly effective and efficient universal child benefit, away from complex means testing and stigmatising and subjective eligibility tests.

Finally let me say something about principles. Two must underpin welfare reform. The first is for a system that seeks to increase equality – and the Government, though it's been highly redistributive over the past 10 years (to which we pay tribute), has far more here to do – and do now – the upside of the recent crises and banking failures is the public mood is with this, distribution on a greater bolder scale looks much more possible now.

The second and the most important principle is to end child poverty and secure child wellbeing – both for children's future outcomes and the quality of childhood. If welfare reform is not securing the best outcomes for our children, in the future and in the here and now, if it's not all aimed at the eradication of child poverty as its first and foremost goal, it misses the point – to prevent and eradicate child poverty for good.

ENDS