

Introduction

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On 4 October 2000 I found myself in a hotel in Bournemouth speaking on the same platform as Conservative social security spokesperson, David Willetts MP, and Lorna Reith of the Disability Alliance, on the subject of ending child poverty. The occasion was a fringe meeting at the Conservative Party Conference. Naturally, the views of the contributors did not necessarily coincide, but a lively and constructive discussion ensued and indeed continued long after the formal close of the meeting.

Two points struck me in particular about this debate. Firstly, while there was plenty of discussion and disagreement about how poverty might be defined, nobody seemed to be suggesting that it was synonymous with outright destitution: the notion of a social context appeared to be accepted. Given that the previous government took the view that poverty was a very bad thing – so it was jolly fortunate that there was none in the UK – this was welcome. It may be that the audience was simply humouring the ‘outside’ speakers, but I prefer to think that the recent high profile of the poverty debate has indeed raised the level of sophistication with which the subject is approached.

Secondly, I was interested in the view of one Conservative local councillor who expressed surprise at CPAG’s willingness to engage with all of the main political parties: he had assumed that we would simply fall in behind a Labour government. Clearly, he knew little of CPAG’s colourful history in this respect. In 1968, Richard Crossman, irritated by what he saw as the overly critical attitude of certain Labour Party officials towards, amongst other things, Labour’s record on poverty, was moved to complain that ‘it was a document which the

CPAG could have published, and that's saying a lot'.¹ This presaged the *contretemps* between CPAG and the Wilson Government in 1970 over that very issue,² referred to by Jonathan Bradshaw in the opening lines of his contribution to this book. Then there was Frank Field's run-in, when he was CPAG's Director, with the Callaghan regime over the threatened postponement of the introduction of child benefit – a clash which involved leaked Cabinet minutes and enormous controversy.³

Certainly, the continuous erosion of benefit entitlements during the long years of the Thatcher and Major governments was bound to entail a severe clash of perspectives with groups such as CPAG. Nevertheless, the plain fact is that our role is to campaign against poverty, whoever is in office – and the record bears this out.

So how does this square with our experience of the Labour government since 1997?

A CHANGE OF GOVERNMENT

The process of lobbying around benefits legislation over a number of years meant that the 'poverty lobby' had frequently found itself briefing the then Opposition and discussing with it what an anti-poverty strategy ought to look like. But opposition is one thing and government another. CPAG was not naïve enough to expect, in 1997, the advent of an era of calm seas and plain sailing. Nor were we cynical enough to expect nothing to be different. We considered that our role was to press on with our arguments, to give credit where credit was due and to criticise as and when necessary.

It was clear at the outset⁴ that we would not see the sort of redistributive strategy for which the poverty lobby has traditionally argued. Nor did we expect the reversal of such much-decried Conservative measures as the weakening of state pensions; the abolition of single payments and their replacement by the social fund; or the cuts associated with the introduction of incapacity benefit and the jobseeker's allowance.

On the other hand, the new government clearly saw the benefit system as a major target for reform. The Welfare to Work programme, with its New Deals for various groups, was the main vehicle intended to bring about the changes which the Government wished to see. This programme had many positive aspects, but it seemed unbalanced – as if low-paid work, shored up by a minimum wage and in-work benefits, would provide most of the answers to the long-standing problems of

the benefit system. Major reviews and proposals for change were set in motion in a number of areas of the system, together with several smaller- scale initiatives – but all against a background which seemed to see benefits for non-workers merely as a burden.

From an anti-poverty perspective, there was indeed both good and bad news. The measures which emerged could be divided into three groups:

- ‘Pipeline’ changes, which the previous government had already announced and incorporated into spending plans. These were largely carried through unchanged by the new regime. Cuts to lone parents’ benefits proved especially controversial – an issue which Jonathan Bradshaw identifies as one of the Government’s low points in terms of addressing poverty.
- Further options for change which the previous government had under consideration. These were fed, as possibilities, into the new government’s various reviews and in a number of cases were leaked. Options (some of which indeed came to pass) for cuts to disability benefits again aroused heated controversy.
- The new government’s long-term proposals. It is these which the various reviews were intended to formulate and something of which emerged in the March 1998 Budget and subsequent social security Green Paper.⁵

The Green Paper set out eight ‘key principles’ which would ‘guide our reform programme’.⁶ It is worth setting these out in full:

- The new welfare state should help and encourage people of working age to work where they are capable of doing so.
- The public and private sectors should work in partnership to ensure that, wherever possible, people are insured against foreseeable risks and make provision for their retirement.
- The new welfare state should provide public services of high quality to the whole community, as well as cash benefits.
- Those who are disabled should get the support they need to lead a fulfilling life with dignity.
- The system should support families and children, as well as tackling the scourge of child poverty.
- There should be specific action to attack social exclusion and help those in poverty.
- The system should encourage openness and honesty and the gateways to benefit should be clear and enforceable.

- The system of delivering modern welfare should be flexible, efficient and easy for people to use.

These principles are for the most part uncontroversial, but were sufficiently broad to accommodate a wide range of potential specific measures. Moreover, their generally positive tone contrasted uncomfortably with the cuts to lone parents' benefits and the controversy over disability benefits. It seemed that very mixed messages were being given to the general public and to the Labour Party faithful. As a specialist in benefit policy, I received during this period many requests to speak at meetings – including at a number of Labour Party branches – where the general drift of questioning from the audience was 'what on earth is going on?'

Another part of the puzzle was the announcement, in August 1997, of the establishment of the Social Exclusion Unit (SEU) – the work of which is referred to by several of our contributors. This was to be a Cabinet Office unit with a remit to identify and promote measures to tackle 'social exclusion'. But it seemed that there were potential policy contradictions here. On the one hand, the Welfare to Work programme, if it succeeded in achieving a lasting increase in the number of people in work, could make a real contribution to efforts to combat social exclusion. On the other, some of the benefit cuts which had been announced or were under consideration seemed to have much greater potential for increasing social exclusion than the SEU had to reduce it. Anti-poverty campaigners warned that the objectives of the SEU needed to inform the benefit reviews if such contradictions were to be avoided.

In the event, things began to change for the better. At first, the development of the working families' tax credit as the flagship benefit measure, aimed very much at 'making work pay', seemed to be leaving behind the problems of those for whom work was not an option. But the Budget of March 1998 marked the beginning of a process which has injected significant resources into the incomes of families with children, whether or not the parents are in work. And of course in March 1999 came the Prime Minister's announcement of the intention to abolish child poverty in 20 years. Whatever one might say about the definition of poverty, the rate of change and the clarity of the indicators of progress – all of which considerations are aired in this book – there is no doubt that this was an historic commitment, warmly welcomed by CPAG. No, we did not feel that the Government had 'shot our fox' (to use a topical metaphor). Rather, we recognised that here was an

opportunity to achieve a much higher profile for the poverty debate and to secure some very real gains for families on low incomes.

Making sure that this impetus is maintained is, of course, a major challenge for both the Government and the poverty lobby – especially if changes of political administration or in economic circumstances (see below) intervene. Doubtless, also, there will be many disagreements over specific measures. Nevertheless, the agenda has changed in a very real way.

So how do we explain these changes of direction, shifts of emphasis and mixed messages since 1997? The following can all be advanced as possibilities:

- The Government was jolted by the reaction, especially from within the Labour Party, to the cuts in lone parents' and some disability benefits.
- The Welfare to Work programme is key to the Government's approach and is very much designed to make use of both carrots and sticks.
- Politically, the Government tries to keep on board a wide range of opinion and tends to seek to balance progressive social measures with tabloid-friendly rhetoric.
- The improved state of the public finances, whatever its cause, has created much greater latitude for anti-poverty measures.

No doubt all of these factors play some part in explaining both changes in policies over the last few years and in the general tenor of government statements at different times and in different contexts. There is no doubt, though, that a key part of the explanation for the shift in policy is the pre-election commitment by the Labour Party to remain within the previous government's spending plans for two years; and not to increase income tax rates during the course of the Parliament. This severely restricted initial spending options. Some felt that New Labour's original Secretary of State for Social Security could have fought her corner harder and not delivered the required cuts so easily. This may or may not be true. But there is no doubt that the subsequent easing of the financial straitjacket changed the rules of the game – which should, of course, make us worry as to how well the current concern with poverty would weather a tougher economic climate.

POVERTY – THE ISSUES

When CPAG began planning this ‘pre-election’ book, we took as our starting point the need for a relatively short publication which could be read reasonably easily by busy politicians, commentators and voters, but which would be lengthy enough to provide some useful information and analysis. We decided on two longer chapters, the first of which – by Jonathan Bradshaw – would examine the Government’s record in pursuit of its pledge to abolish child poverty and would offer some observations on the scale and nature of the remaining task. In doing this, Bradshaw has some very interesting things to say about the change of focus, after the first two years, to which I refer above.

Martin Barnes and I wrote the second of our longer chapters, intended to home in on the current debate concerning the future of children’s benefits. The integrated child credit could amount to a real step forward, or it could be full of pitfalls. These issues need to be debated and not mentally filed away as a complex matter best left to technical specialists. At a time when an impending general election coincides with the planning stages of this major new initiative, this is especially important.

Our aim was then to invite a number of authors from various fields to examine, in half a dozen shorter chapters, some of the other dimensions of poverty; to tell us how they rated the Government’s performance so far; and to map out the tasks which the next administration would need to address if the commitment to combat poverty is to be carried forward. Thus, Richard Exell looks at employment policy – an area upon which, as noted above, the Government places great reliance for the success of its overall anti-poverty strategy; George Smith looks at education – another of the Government’s key policy areas, not least in its interaction with employment prospects; Mary Shaw and her colleagues examine the relationship between health and poverty – a link which, it now seems strange to recall, governments not so long ago used to deny; Matthew Waters tackles housing – its supply and affordability, including the vexed question of housing benefit; Pete Alcock delves into the complex interrelationships which surround the question of neighbourhood renewal; and Gary Craig addresses the racial dimension and the degree to which the Government has devised an adequate policy response.

Clearly, there are other aspects and manifestations of poverty which we could have addressed, but given the scale and purpose of the book, we had to make choices. It is very likely that many readers would have

made different choices, arguably just as valid. For example, we could have devoted a chapter to an overall analysis of the way the benefit system has developed under New Labour, in terms both of its structure (the continuing decline of contributory benefits, more reliance on means-testing, the emergence of tax credits) and its administration (the creation of the new agency structure, the growing prominence of anti-fraud measures, the new role of the Inland Revenue). Or we could have grouped together the issues affecting women, who constitute the majority of benefit claimants, the great majority of lone parents and who usually have the main caring role in two-parent households with dependent children – but who frequently face disadvantage when resources are allocated, whether within the family or through the wage structure. Or we could have devoted a chapter to the particular problems of disabled people, both within the out-of-work benefit system and in employment. Or we could have looked harder at the devolution agenda: social security is a function reserved to the UK government, but this has not prevented the devolved administrations from taking a particular interest in poverty. Scotland is perhaps especially noteworthy, with its explicit recognition of the importance of *inequality* and its linking of social exclusion to the concept of social *justice*. Then there is the question of how people living in poverty can themselves organise and have a voice in the fight against it.⁷ And there is the international dimension, by which I do not simply mean European issues or comparisons with the United States: as pressure on the planet's resources grow, poverty will increasingly have to be addressed in a global context – we are, in a very real sense, all in this together.

These are all themes to which CPAG will undoubtedly return – but for now, we offer this book as a contribution to the pre-election debate here in the UK. The material it contains was written towards the end of 2000 and such is the current rate of change that there will doubtless have been further developments in some areas by the time of the general election campaign. But the key issues are clear enough. The fate of the Government's current anti-poverty initiatives will tell us much about the political values which this country will take forward into the twenty-first century.

NOTES

- 1 R Crossman, *The Diaries of a Cabinet Minister: Vol 2, Lord President of the Council and Leader of the House of Commons 1966-68*, Hamish Hamilton and Jonathan Cape, 1976, p656
- 2 Child Poverty Action Group, *Poverty and the Labour Government*, CPAG, 1970
- 3 F Field, 'Killing a Commitment: the Cabinet v the Children', *New Society*, 17 June 1976; see also E Jacobs and P Kellner, 'Purse or Wallet? How the Cabinet did a switch-sell', *Sunday Times*, 20 June 1976
- 4 This account updates an analysis which the author originally published in *The Benefits Agenda: an analysis of the Government's reviews and proposals*, Newcastle Welfare Rights Service, Newcastle upon Tyne City Council, 1997 and 1998
- 5 Department of Social Security, *New Ambitions for Our Country: a new contract for welfare*, Cm 3805, The Stationery Office, March 1998
- 6 See note 5, p2
- 7 For a recent example of CPAG's interest in this area, see P Beresford, D Green, R Lister and K Woodard, *Poverty First Hand: poor people speak for themselves*, CPAG, 1999