

The invisible generation: from picking up the pieces to predicting and preventing

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I started my career, as some of you will know, as a social worker, trying to safeguard the most vulnerable among us from the hardships brought on by deprivation. I moved into community work because I wanted to be involved in preventative work, then moved into politics because I saw how government was intervening far too late to bring about the kind of positive changes that would break the cycle of deprivation for good. It is a concern I have held throughout the last 30 years.

Since 1997 Labour in government has acted with conviction to tackle the root causes of deprivation. I'm proud of what has been achieved to help the weakest and poorest in our society, and of the revitalisation of our public services. But, what I want to ask today - as I take forward the brief the Prime Minister has asked me to take on - is how well have the changes we brought in reached not just the aspirant poor, but also those most challenged families and individuals that I recall so vividly.

One of things I want to do today is to demolish a few myths.

- The myth that social exclusion is inevitable.
- The myth that we cannot predict who will end up in difficulty in order to intervene early.
- And the myth that – even if we can reduce ‘mainstream’ poverty – there is little we can do about the most excluded.

Let us start with the first myth.

Is exclusion inevitable?

In the early 90’s, unemployment in Britain exceeded 10 percent, and many commentators said that we’d better get used to it. It was our ‘natural rate’ of unemployment. By the end of our first term, unemployment was down to less than a third of that ‘natural’ level. Two million more people into employment since 1997 – that’s a lot of changed lives. And in resource terms, that’s £6billion a year in saved benefits that can now be spent on other public priorities. Here in Sunderland claimant

unemployment has fallen by almost 49% since Labour took power in 1997.

In the early 90's, income inequality had been increasing for decade, with the bottom third of the population having seen, on average, no real terms increases in their incomes at all. Again, many commentators said that we'd better get used to it. It was an inevitable by-product of more globalised and efficient markets. Over the last 9 years, the growth in inequality has halted, and 95% of the Britain's have seen their incomes grow at between 2 and 3 percent real terms per year with 800,000 thousand children lifted out of poverty and 1 million pensioners out of poverty. That's a lot of changed lives. And if we look closer to home, we can see that here in Sunderland the New Deal for 18 to 24-year-olds has helped cut long-term youth unemployment by almost 90% since 1997.

In the early 90's, crime had been rising for decades. Victimisation was not evenly spread, but was massively concentrated in areas of higher disadvantage. Again many commentators said that we'd better get used to it. It was an inevitable result of the breakdown of communities and the rise of drugs. Since 1997, crime has been brought down by around a third – down to its lowest level in almost 25 years – and the falls have been largest in the most deprived areas. That's a lot of changed lives.

Social exclusion is conventionally measured by counting up the number of people suffering from ‘multiple disadvantages’ – like living on low incomes, low educational attainment, claiming benefit, for example. By these measures, again, we have done well. There are 1.1 million less people suffering from five or more disadvantages than in 1997, and 2.2 million less people with 3 or more disadvantages (. That’s pretty impressive – maybe even better than we could have hoped for.

But we are not satisfied and nor should we be.

What I want to focus on now, and in this coming year, are the very most excluded. I want to argue that, as the tide of poverty and disadvantage has been decisively turned back, those who are the most excluded stand out even more starkly. The 60,000 children in care at any given time. The 180,000 seriously mentally ill and on benefits. The 40,000 teenage pregnancies this year. People in deep trouble. In trouble in their own lives, and often in trouble with the community around them.

Rocks of exclusion left by falling tide

As unemployment has fallen, employment rates have risen in virtually every segment of society, including among the disabled, lone parents and the over 50s. But among those who have no qualifications, employment rates have actually fallen.

The vast majority who leave school today will do so better educated than any generation before, and can look forward to record levels of income and longevity. But the dwindling minority who leave school without qualifications face a much harder time.

Less than 1 in 10 of 16-18 year olds in the UK are not in education, employment or training. But without qualifications, the odds are against them – they are 7 times more likely to be unemployed in their late twenties than someone with a degree, for example.

Similarly, there has been much discussion about why those born in the 1970's have been less likely to escape their social class of birth than those born in the late 1950's, and about why the incomes at the very bottom 2 or 3 percent have fallen while those of the vast majority have risen since 1997.

Part of the reason has been the changing class structure – the slowdown in the growth of the middle class. But part of the reason for this ‘stickiness’ at the bottom is now thought to be increasing importance of more subtle social skills and capital. In other words, it’s not just innate intelligence or even formal qualifications that counts, but increasingly it is also your aspirations, your ability to get on with other people, having people around you with ‘contacts’, who inspire you on and who you trust.

Various forms of financial exclusion – not just low income – also hold back the most excluded. But it is also the level of debt that distinguished the most excluded. One of the cruellest twists of financial disadvantage is that those with the least money are the ones that are forced into paying the highest rates of interest for the money that they need to borrow. A survey in Liverpool found that APRs charged to clients in debt to pawn shops and home-collected credit providers (i.e. loan sharks) on a six month loan ranged from 69 per cent to 365 per cent.

In sum, it seems that while we have succeeded in improving the lot for the vast majority – and even for many of the traditionally excluded – there are a small minority, who often remain largely invisible to public services, who have been left behind.

Why should we care?

As unemployment and poverty has fallen, our attitudes to those in need have hardened. In 1994, around 30% thought that the reason people lived in need was social injustice, but by 2003 this had fallen to around 19%. At the same time, the proportion of people believing that need was the result of laziness or lack of willpower rose from 15% to 28%.

These changed attitudes partly come from the compacting of these problems in a smaller group of the population. People feel with lower levels of unemployment, people should look after themselves more and make their own choices.

So why should we care? Why is it time to refocus and redouble our efforts to address the most excluded?

Let me give you two reasons. First, because it is the morally right thing to do. Second, because it is a sensible thing to. Its in all of our self interest – if we don't address these issues, we all end up paying the price.

In our hearts we know, even though we are very busy, even though we are worried about our own family, simply turning our back on peoples

despair diminishes us all. For example the British people rich and poor created the NHS because they wanted to help each other- not just their friends and families. They recognised the strength that came from that joint endeavour and the weakness that comes when we ignore each others distress. So there are moral reasons for concerning ourselves with the despair of others.

But it is also in our self interest. Longitudinal surveys – surveys that follow the same individual or family over many years - are providing us with an increasingly detailed understanding of how different types of exclusion and risk factors are linked together.

Across countries, it has been found that around 2 to 3 percent of young people end up with multiple problems in their teenage years, such as alcohol abuse, early sexual activity, conduct disorder, and / or contact with the police. To turn that into numbers, that would be about 20,000 of Britain's children born every year. These troubled youth tend to show problem signs early in life, and their problems also tend to persist well into their 30's and 40's. Their horizons have been shortened early in their lives, and they just don't think the world has much to offer.

These same individuals are disproportionately represented as the clients of state services – as children with special needs, as teenagers in the care

system, as benefits claimants, as adults with mental health or drug problems, and as offenders in the criminal justice system. So there is no doubt that they cost us dear.

But they cost themselves dear too. They face lives of unemployment and low income, victimisation as well as offending, of custody and instability.

Let me be clear. We need to ask ourselves some tough questions about how well our public service systems that were built to address mass problems – be they poverty, ill-health or crime – are suited to addressing these much smaller, but difficult and complex segments of our population. Because at the moment they don't seem to be working.

Early prediction and intervention

Can we predict who tomorrow's high need individuals will be? The longitudinal surveys tell us that it is impossible to be 100% accurate in our predictions, and especially predicting in exactly who will have exactly what problem. However, they do give us increasingly powerful clues about who is most likely to have a problem.

The same surveys show that around 9 in 10 of the children of the most challenged families end up with at least one major problem as a teenager or young adult, compared with less than 2 in 10 of the top half of families.

So the evidence increasingly suggests that the most excluded and troubled come from a far from random section of the population. This, by itself, does not make a shut and dry case for early intervention. But it certainly raises the question as to whether we can offer earlier support and intervention versus what we *mainly* do now, which is to intervene much too late, only after a problem has arisen.

That is why the Government's policy on public service reform stresses personalisation as one of its main themes. Some commentators see this is simply an appeal to the middle classes- they could not be more wrong. The main people who will gain from personalisation of public services are the people we are discussing today. For too long public services have treated people as a block, they have to fit in to the model that the service has, when actually they are individuals with personal needs and must be treated as such.

That is also why our public service reforms stress the importance of people's own hard work. Unless public services can hook in to the hopes and dreams that people have for themselves and their families, they can achieve little.

So personalisation of public service and working with people's aspirations will make the difference for people who have previously been excluded.

A further reason to focus our efforts is that those who most need help also tend to be the ones least likely to ask for help. For example, the poorer and more disadvantaged you are, the less likely you are to have had a visit from a health visitor. This is not surprising given that the richer and more advantaged are more confident and likely to ask for extra help, but it does raise the question about whether we are really getting help to where it is most needed. The state must be persistent in its attempts to reach these people and ensure they fully utilise the support and services that could bring about meaningful changes in their life chances.

But to make this case really convincing, we need to take on another of the myths: that nothing works.

Should we despair?

The good news is this. The international evidence shows that, even for the most problematic and needy in our society, there are interventions that work – and including early interventions. Let me give some examples.

Teenage pregnancy rates in the UK are five or six times higher than those in other European countries. They have been coming down, helped by the Teenage Pregnancy Strategy. But we might as well be honest – it is going to be touch-and-go whether we to meet our ambitious target of a 50 percent reduction by 2010 at current rates of progress. But I want to tell you about a programme I visited last weekend called ‘Teens and Toddlers’. In it, young teenagers – both boys and girls – take responsibility for 2 hours a week, for 12-18 weeks, for looking after an infant in childcare setting. They also get an hour a week of life-coaching.

The results are remarkable. A follow-up of a group of more than 60 high risk young people who took part in the programme found that *none* went on to become teenage parents – when the expectation was that at least 10 would have become parents by now.

Now, it's not just that the exposure to the toddlers put these teenagers off having kids. Rather, the programme seemed to transform how they thought about themselves and other people. The teenagers found themselves in a situation where they were treated with respect, and where real responsibility rested on them. They became more organised and dependable. Their self-esteem and their aspirations rose. They grew into the responsibility. At school their attendance and performance improved. While at the nursery, the outcomes for the toddlers also improved. They began to look at the relationships in their own families.

The programme I saw this morning makes a similar point. 'Positive future' provides activities for young people who would otherwise be bored, and in some cases probably drifting into trouble. Evaluations suggest that for every £1,000 invested in such programmes, around 12 crimes can be prevented. The best of these programmes aren't just about keeping kids occupied. They can, through mentoring and peer learning, radically change a young person's aspirations and outlook on life – not just keeping them out of trouble for now, but helping to set them on a fundamentally different path in life.

Similar lessons can be found in other areas.

Early family and parenting-focused interventions have now been shown to be incredibly effective across age ranges. With very young children, a two year programme of fortnightly visits by a family nurse has been shown to increase the weight and health of babies, reduce violence in the home, and reduce contact with the criminal justice system when that same child becomes a teenager. The criminal justice savings alone could cover the cost of the programme.

Children in care present a particularly profound challenge. Outcomes for such children have improved steadily over recent years. For example, the proportion attaining five good GCSE's has risen from 7% in 1999/00 to 11% in 2004/5. Now that's a big improvement, but who can possibly say that that's anywhere near good enough. One cannot but be struck by how certain other countries, such as Denmark and Germany, appear to do so much better for their kids in care. There are lots of differences in their systems, but it does seem that there is something important we can learn from their model. I also think we should be open minded about other more radical options, such as the wider use of boarding schools that has recently been discussed in the media.

Finally, let me say something about mental illness. Mental illness has become the single biggest reason for incapacity benefit claims in the UK.

Yet there are a number of outstanding interventions that have shown that, with the right kind of structured support, even the quite severely mentally ill can find pathways back to work, rebuilding their lives and contributing to society once again.

Next steps

So what's the problem? Increasingly, we know what works, and we know we can better target our efforts.

There are many issues involved. Partly, it's about incentives. Partly it's about the slowness with which best practice spreads. It's about the barriers that exist between service providers in different institutions and with different cultural habits. It's about the sharing of information. And maybe it's also about believing that we can make a difference.

The complexities of the problems facing the most excluded individuals and challenged families can defeat both those involved and the professionals that try to help.

But we can pick apart these problems one at a time – as I have tried to do today - and we can make progress. I believe that, as these problems are laid bare by the reduction in overall levels of poverty, we can potentially

make transformational changes to how we address such deep-seated forms of exclusion. Instead of picking up the pieces of damaged lives, its about prevention. It's the right thing to do it, we all end up paying the price.

And as a message of hope – but perhaps also a model for what we need to do now – I want to close on the example of how we turned around the issue of street homelessness. In 1998, there were nearly 2,000 street homeless in Britain. Like the other examples I opened with, many people at the time said that such levels of street homelessness were inevitable. Today, there are around a quarter of that number.

How did we do it? We developed a clear understanding of the problem. We systematically identified well-evidenced solutions. And – even if this offended some vocal pressure-groups in some areas - we gripped the issue with real determination, and saw it through.

I still remember well many of the children and families I worked with with in the 1970's as a social worker and a community worker. We know a lot more now about how to identify problems early and about what works. We can work with people to change their lives, so let's do it.

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