

Building the consensus of the future

**Speech by Rt. Hon. Ed Miliband MP, Minister for the Cabinet Office,
to launch a Fabian research project on poverty and inequality**

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CHECK AGAINST DELIVERY

Introduction

Can I start by thanking Tim Horton, the Fabians and the Webb Memorial Trust for organising this event, and it is a privilege to be speaking at it. For me, the significance of the Minority Report is that it is the modern foundation not just for the Welfare State but the system of public services that we have in our country.

Given that progressives have a tendency towards dissatisfaction, it is worth reminding ourselves how far we have come from the days of the Poor Laws, when people had to go to the workhouse to get social security support – a place where one in three infants died each year.

And the Webbs' recommendations helped to fashion a new consensus – state pensions, government responsibility for unemployment and healthcare – even if it was a consensus that was only fully realised by the 1945 welfare state settlement.

And my argument tonight is that the power of successful governments and the movements that sustain them come from fashioning a new consensus which frames political debate.

And I want to suggest that on some of the key issues that we care about around poverty and public services, this government has reshaped the common ground of British politics.

But because we are progressives, we do not see this as an opportunity to conserve, to rest on safe ground, but to be restless about how we can go forward and shape the consensus of the future in the interests of a fairer society.

So I want to try and talk today about what are the injustices that we want to address, what is the new consensus that we should seek to build, and how we can do it.

And I want to suggest the terms of that consensus: a state which plays its proper role in tackling poverty and is responsive to the individual in new ways, including through more pluralism in delivery, individuals who exercise responsibility, and a civil society that builds communities.

What do we care about?

So first, what are the injustices we should be aiming to tackle?

First of all, income poverty: the notion that in a rich society like ours there is a level below which nobody should fall. And I think it is welcome that this idea is being embraced across further parts of the political spectrum. And it really gets at our basic insight, which is that in one of the richest societies in the world we owe obligations to those least well off.

Second, social mobility. Now what is social mobility about? What is it measuring? It is measuring the chances that from one generation to the next children have a chance of rising from the place where they are, and the parents they are born to, to a higher level of income or a higher education level.

It touches on our intuitions about the need for everyone to have a fair chance of success. When I think about people in my own constituency, the number of people going into higher education is about one-third of the level of the national average – and this is not because they have less talent or less intelligence, it is because in a whole range of ways they do not have the opportunities to make the most of themselves.

So income poverty is important, but on its own it fails to capture the importance of opportunity.

But there is a third aspect to what we care about, and often it is not discussed. It does not belittle the first two, but I think it is important: people's ability to lead the freely-chosen life.

It is about addressing constrained choices in all the aspects of human flourishing that matter: constraints in terms of time and the time people get to spend with their family, constraints in terms of the kind of community we live in, and constraints in terms of power in the society in which people live.

Let me give you one example. As part of my job as Minister for Social Exclusion, I met someone who has a learning disability and quite profound physical disabilities which mean she is in a wheelchair. For her, what makes the big difference is not about being socially mobile as measured by income or work; it is about whether she can live as flourishing a life as possible. And actually, the advent of an individual budget and higher incomes for her, because of

recognition of higher care needs, have made a huge difference to her and her ability to lead a flourishing life. They have allowed her to volunteer, meet friends and form relationships.

The three things I have just talked about – poverty, social mobility, and the ability to lead a freely-chosen life – are all in a sense aspects of an egalitarian position, a position relating to equality. Not just income poverty, but social mobility, which is about the unequal distribution of opportunity, and the opportunity to lead the life people want to lead, which is about the unequal distribution of freedom.

In each of these spheres of injustice, I believe we can we can build the consensus of the future.

Income poverty

First, on income poverty. I think it is important to celebrate what has happened since 1997. Many people in this room were associated with the improvements that have been made.

And the fact is, child poverty is not up as it was in the 18-year period before we came to office, the period when it tripled; it is down – by 600,000 on a relative poverty definition. It's not as much as we would have wanted, not as much as our target, but I think it is a major achievement that we have seen under this government the longest sustained fall in child poverty since 1961.

Pensioner poverty, defined in relative terms, is not up but down by one million.

How we have we reshaped the terrain of political debate on these issues? For me, the progress is that all parties feel the need to say they care about poverty, even relative poverty. The progress is that there is agreement government can make a difference to levels of poverty, it should intervene in the labour market to set a floor under wages, and it should make work pay more than benefits. For those who remember the late 1980s and early 1990s, that is big progress.

But there is still a big battle to be won, a new consensus to be shaped.

And what are the terms of that new consensus?

We have to win the battle that higher incomes really make a difference to the lives and life-chances of people. All the research, particularly by Paul Gregg, show that far from the stereotype that higher incomes are spent by people in poverty on 'the wrong things' they are actually, in the case of families, spent on toys, books, children's clothing.

A second part of the new consensus is that just as we agree the minimum wage has set a floor under incomes, and just as our intuitions say that work should pay

more than benefits, so we should seek to move in the direction of the principle that being in work should lift you out of poverty. Partly through the role of government, including a higher minimum wage, tax credits and above all, the skills that can earn better rates of pay. But is not just through government. It is also about the work of civil society---the trade unions and groups like London Citizens, who have campaigned successfully for living wages as a well as individuals investing in their skills.

And a third part of the new consensus must be to move further on responsibilities for people, as James Purnell is doing. It must not become punitive, but for the life-chances of people concerned and the wider support that the welfare state can draw on, I do think it is a necessary part of the new consensus.

Social mobility

As I have said, income poverty is not enough. We need to do more than that, and that takes me on to social mobility.

Now I think it is very important to set the record straight on social mobility. It is quite easy to get into the myth that somehow social mobility has fallen under this government. In fact, there is no evidence for this. What we have, or have had up until now, are measurements from people born in 1958 and in 1970.

With the best will in the world, and the best strategy for lifelong learning in the world, it's hard for us to make a big difference to the social mobility of people who turned 27 when we came to power.

But since then, there has been a study of children born in 2000 – and the latest results, published in December, conclude that the fall in social mobility has now “flattened out”. It appears that the decline has been arrested, which I think is important – especially given the long-term nature of many of the changes we are implementing.

Here again, it is interesting to see how debate has changed. We now accept we need the right interventions for children, and in particular, all the evidence suggests that early childcare and nursery education have the effect of providing what Gosta Esping-Andersen calls ‘social inheritance’ – educational and other influences which can lean against background inequalities.

Sure Start is quickly becoming part of the landscape. So again, we can ask: if, over the last ten years, we have agreed as a country to expand nursery places and build Sure Start centres, what consensus do we want in the future?

If we take a belief in social mobility seriously, and if we accept all the evidence that parents and parenting is crucial, then Sure Start is not enough.

First, we need to make further progress on investing in education, especially the early years. All the evidence suggests that it is the single biggest investment we can make to improve social mobility in the UK. We should recognise its direct benefits to what children can achieve, and recognise how it helps mothers into work and decent earnings.

Second, we need to face down the idea that early prevention and support for parents is about the nanny state. In the Cabinet Office we are responsible for something called the Family Intervention Project, and it really does destroy all of your preconceptions that you might have had.

It isn't a nanny state, because it is precisely not about a disrespectful, one-sided relationship of a professional telling an individual what to do. It is about the new kind of state we need which understands that people can only succeed if they are enabled to exercise their own capacities.

So there is a dedicated worker who is there on hand to be a critical friend to the parent involved and can make the difference between them being back on the right road and, in the case I was witnessing, a woman getting her kids back and the kids having the loving support that they need.

Thirdly, we need to be clear that social mobility is about what happens in the classroom for school-age kids, but is also about more than that.

This comes home to me when I consider why entry into higher education is so far below the national average in my constituency. Take an example of an incredibly smart kid who was on the local school council and destined for good A Levels. I talked to him about going to university and he essentially said he didn't need to so he wouldn't, and his school hadn't tried to persuade him otherwise. Now I don't want to fetishise university and say it is the answer for everyone. I don't know whether his parents are poor or not. But I do know, because it was clear from talking to him, that the networks he had, the advice he had, the background he had all pushed him away from university, when in other parts of the country they would pull him towards it.

Looking outside the classroom means understanding the wider cultural background. The state can make a difference to this, for example, through youth services, individualised support for kids and activities that expand their horizons. But it is also about challenging the idea that it is the job of public services alone to deliver success to the individual. It is also about engaging parents in their kids' education, and about how employers, universities and the voluntary sector can expand kids' horizons.

As an example, talk to people who have been on the Prince's Trust team programme. That's a 12-week intensive course for some of the most troubled

young people, and it has made a huge difference to their lives. It needs support from the state to happen, but it doesn't need to be delivered by the state.

This is what I mean when I talk about building a consensus for a more plural state—not about who funds public services because the voluntary sector should never have to pick up the pieces for the state abdicating its responsibility, but more plural in terms of delivery.

That is the consensus I would like to see in ten years' time: a belief in social mobility that is strong enough to give children and parents the support they need, above all in the early years but also at all times they need it.

The life we choose to lead

So income poverty matters, so does social mobility but we also care about people having the chance to choose the life they want to lead: people having a range of choices open to them in the time they have with family, the power they exercise, the communities of which they are part.

Once again, we see the consensus has changed in a decade. There is acceptance of flexible working and parental leave, public services increasingly give people a say over the decisions that affect them and there is a greater recognition of the role of culture, not just in prosperous areas, but throughout the country.

So what is the new consensus we want to shape?

First, time and flexibility. At a time when the world economy is going through difficult times these issues can sometimes fade, but the time people have with their families is a massive issue in our society as all of us know. There is further to go on this. We want to build on the success of nine months paid maternity leave by extending it to a year. We are reviewing how to extend the right to request flexible working, which has been a great success, to parents of older children.

Secondly, power, and people's power over their own lives. That is everything for me from individual budgets that I talked about at the start and the disabled woman that I met, to accountability. That too is part of people having a life they choose to lead.

Often, decisions have to be made collectively. Just to give you another example in relation to youth services, I can see from my own constituency the impact that youth budgets have had on the ability of young people to make a difference to their lives. They have the power to make the difference on the things that matter for them.

Thirdly, the role of public and community institutions in our society. We all know how the school gates can be a place where community is nurtured. Now Sure Starts plays a similar role, making a difference in my constituency not simply because it provides good services for the under fives and the parenting classes that everyone talks about, but also because it is a site at which community is built. It is a place at which parents, and mothers in particular, come together. It realises the dynamism in people.

And there are new institutions that could make a big difference in our communities, like the right kind of youth services. But it is not just public institutions. Go to the Goodwin centre in Hull and you will see a place transformed because there was an asset which the local community could take control of. But this consensus requires a new relationship between local authorities and the voluntary sector so that each understands what the other can contribute to flourishing communities.

The life people chose to lead, including a life outside the market, is and must be a big part of the progressive promise.

Reform not roll-back

The question then, across relative poverty, social mobility and the self-chosen life, is why are progressives better placed to implement the changes I have talked about and build a new consensus?

I think it fundamentally comes down to something which is an argument that I think we need to take on, which is about the role of the state and the kind of state we want to see. There is a caricature of the Webbs, some of which is true and some of which isn't, about the mechanical state.

The truth is, that has never been the only part, by any means, either of the Fabian tradition or of the left tradition. People like GDH Cole, the New Left, were always talking about building a different state.

We too are about striving towards a different kind of state – different in the respect that it shows for people, different in the way that the individuals are at the centre and can make decisions and are in charge, different in its pluralism of delivery, different in its accountability, different in recognising the capacities of all individuals to contribute to the success of the services they enjoy and the lives they lead.

So we need a reformed, you might call it a responsive, state.

What we do not need is a rolled back state. When I think about the new issues that I have talked about there is always a balance to be struck between

understanding the role of the individual, civil society and the state but many of them do require a role for government.

Whether it is the issue of skills in relation to relative poverty, whether it is the issue of personalisation and early intervention in relation to social mobility, whether it is the issue of time, community institutions and power – all of them require the appropriate role for the state.

A coalition for change

So how do we build support for the consensus I described?

I am optimistic we can build this new consensus but it requires an approach which understands how progressive social change happens and where we have succeeded so far and why.

We need a sense of responsibility, which I talked about at the beginning.

Whenever we are taking action, we must recognise the need for a welfare state that everybody has a stake in, because it is the right thing to do and it keeps the coalition together.

And we also need to build a greater sense of mutual responsibility and solidarity. How do we achieve this? People need to know their neighbours.

Now what is the answer to that? It's tough. But it is about community institutions, things like Sure Start. It is about Teach First and others ways in which people who are privileged mix with those who are less privileged. It is about fostering solidarity for people and it is also about cultivating a sense of responsibility throughout society.

And we have reasons to be optimistic on this front. Maybe I have a pretty unrepresentative view from being Minister for the Third Sector, but I meet people all the time who work in social enterprise and the voluntary sector who are making a huge difference to their community. It is a younger generation and they do not say to me, "I am all about making money". They say to me, yes, I am about making a living for myself, but I am also about making a difference to my society. That is what social enterprise is about and that is what lots of people in the voluntary sector are all about.

Let me end with this thought.

It was always going to be a long-term agenda that we were pursuing, but I think that not only has the political and ideological mood changed in very positive ways, but I also think there is cause for optimism about the mood of people.

I am optimistic, because the last ten years have shown we can build a progressive consensus in our country that poverty matters. And I am optimistic, because I believe we can help build on that consensus by convincing people that the injustices I have described matter, and we can tackle them.