

Economic Well-being

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Social Exclusion Conference
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Outline

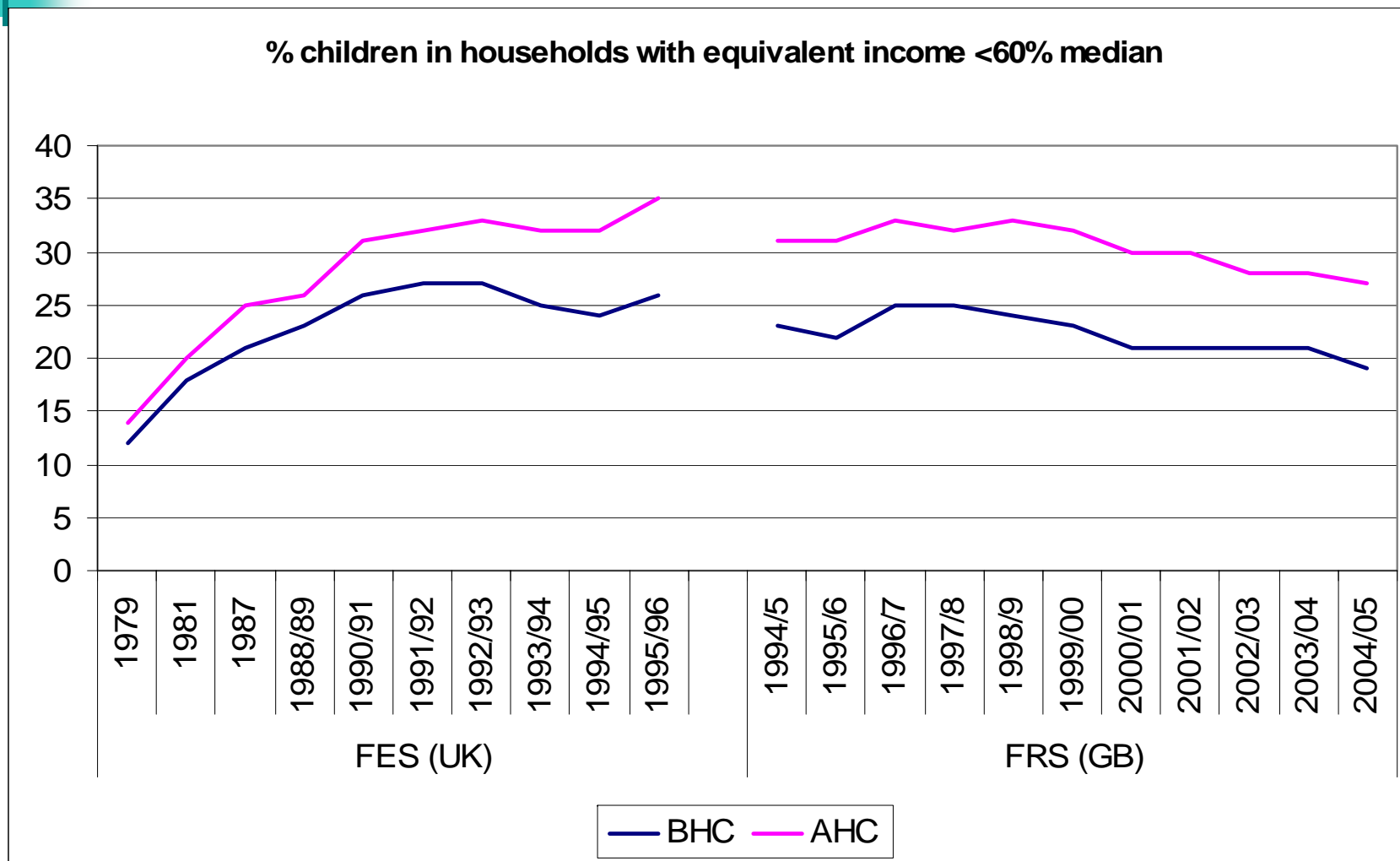
- ◆ why is poverty important?
- ◆ what is the prevalence of poverty in the UK?
- ◆ how does our poverty compare with other countries?
- ◆ what are the prospects for poverty?



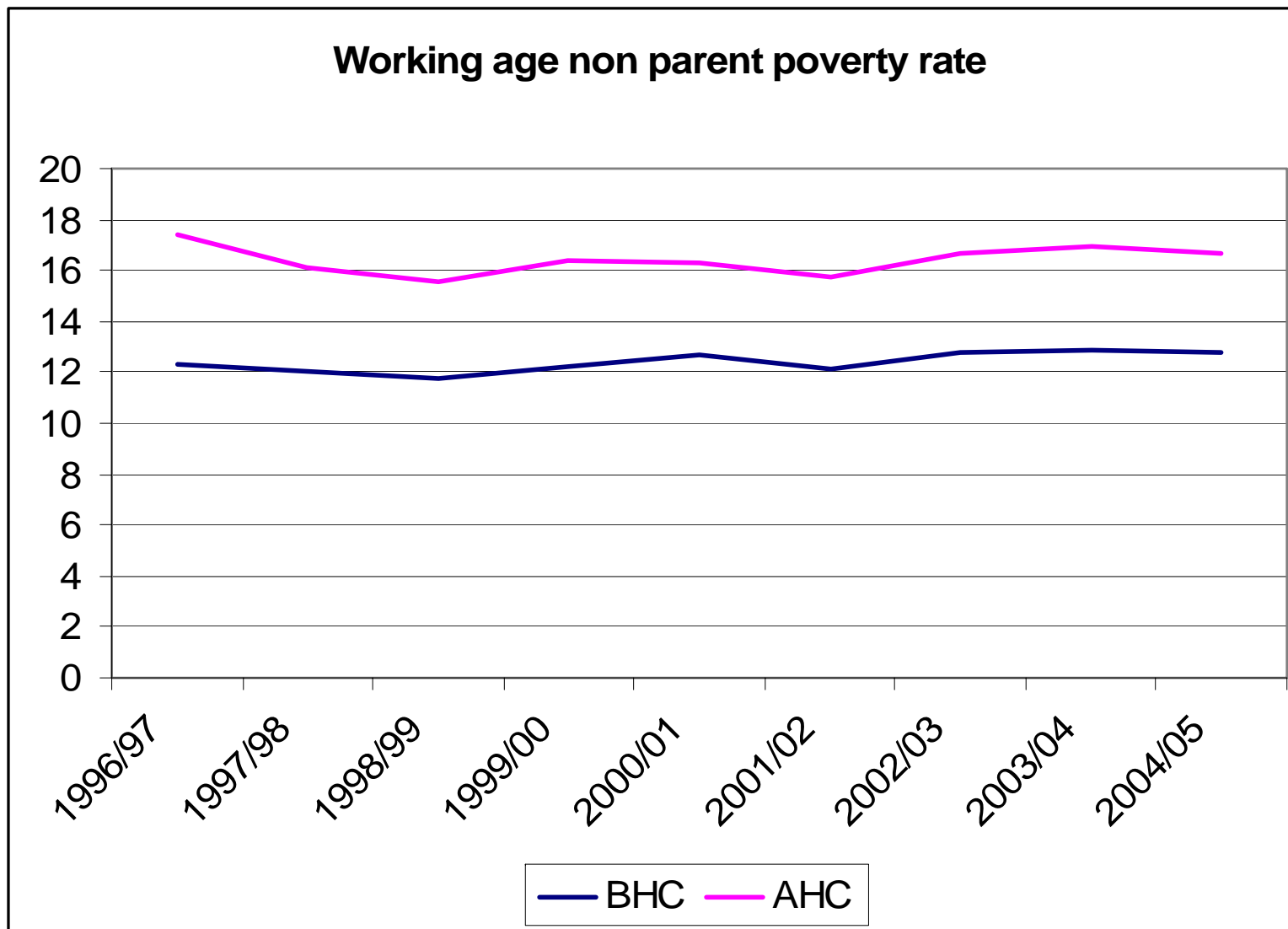
Why is poverty important?

- ◆ Humans have moral right not to be poor.
- ◆ it is not fair (for children, disabled etc)
- ◆ it harms us all (human capital)
- ◆ it generates social problems
- ◆ it is an indicator of the failure of the welfare state

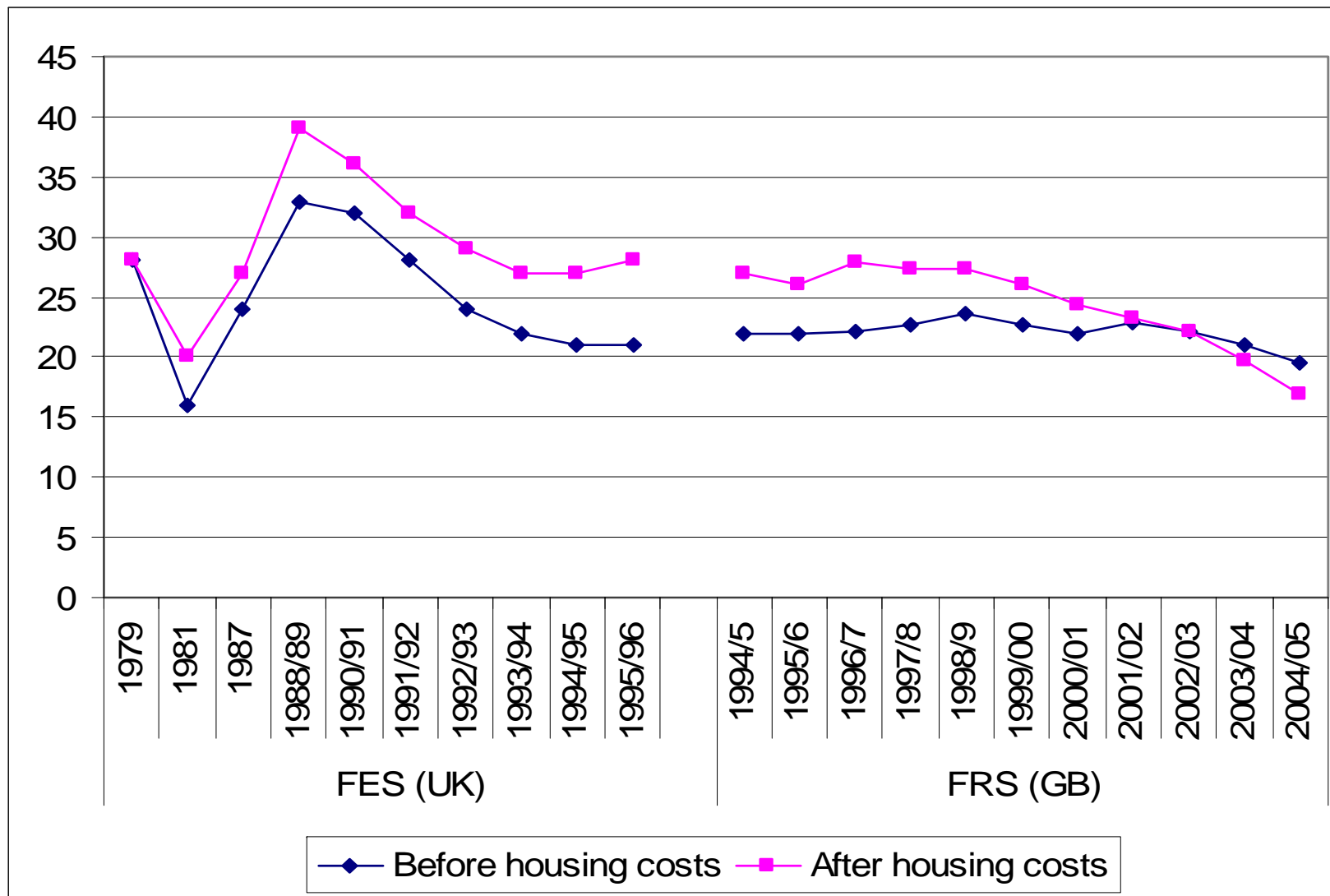
Child poverty rate



Working age adults poverty rate

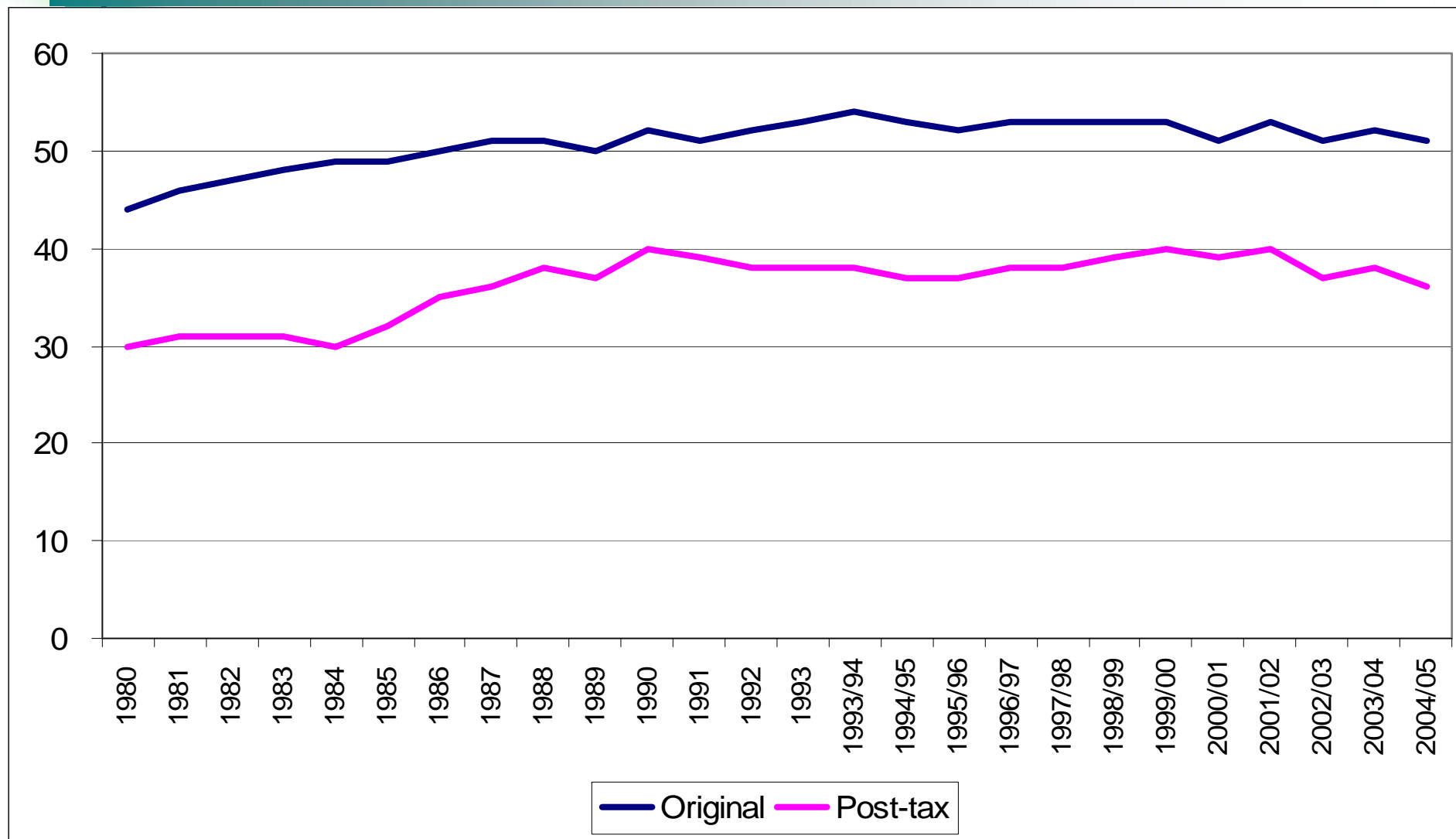


Pensioner poverty rate



Inequality in income (Gini coefficients)

ONS (2006)



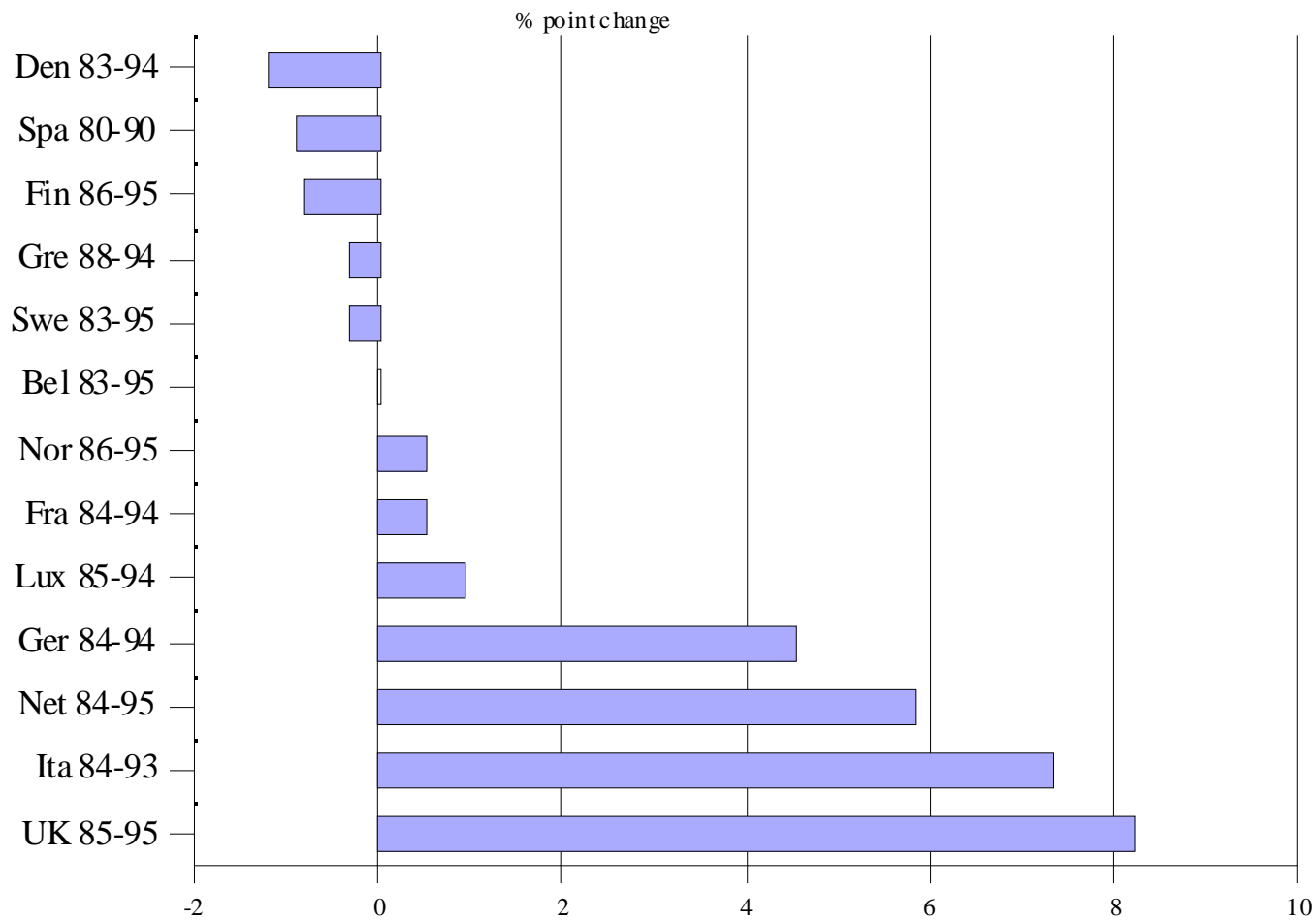


Opportunity for all indicators

	Better	Worse	Constant	Cannot say	All
Children and young people	14	4	3	4	25
Working age	13	1	3	1	18
Older people	8	1	1		10
Communities	6	1	0		7
All	41	7	7	5	60

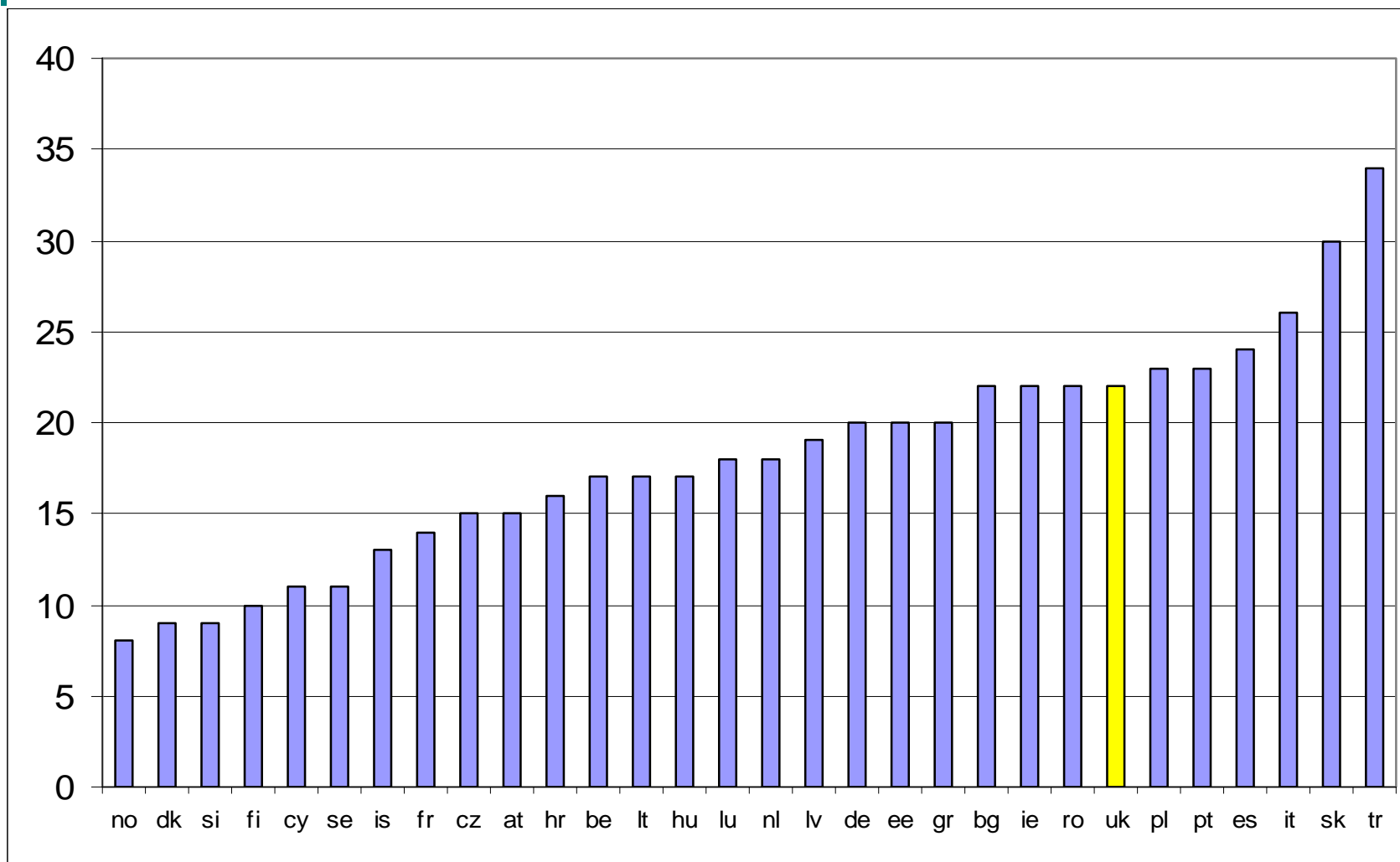
Child poverty mid 80s to mid 90s

Chart 5: Trends in child poverty

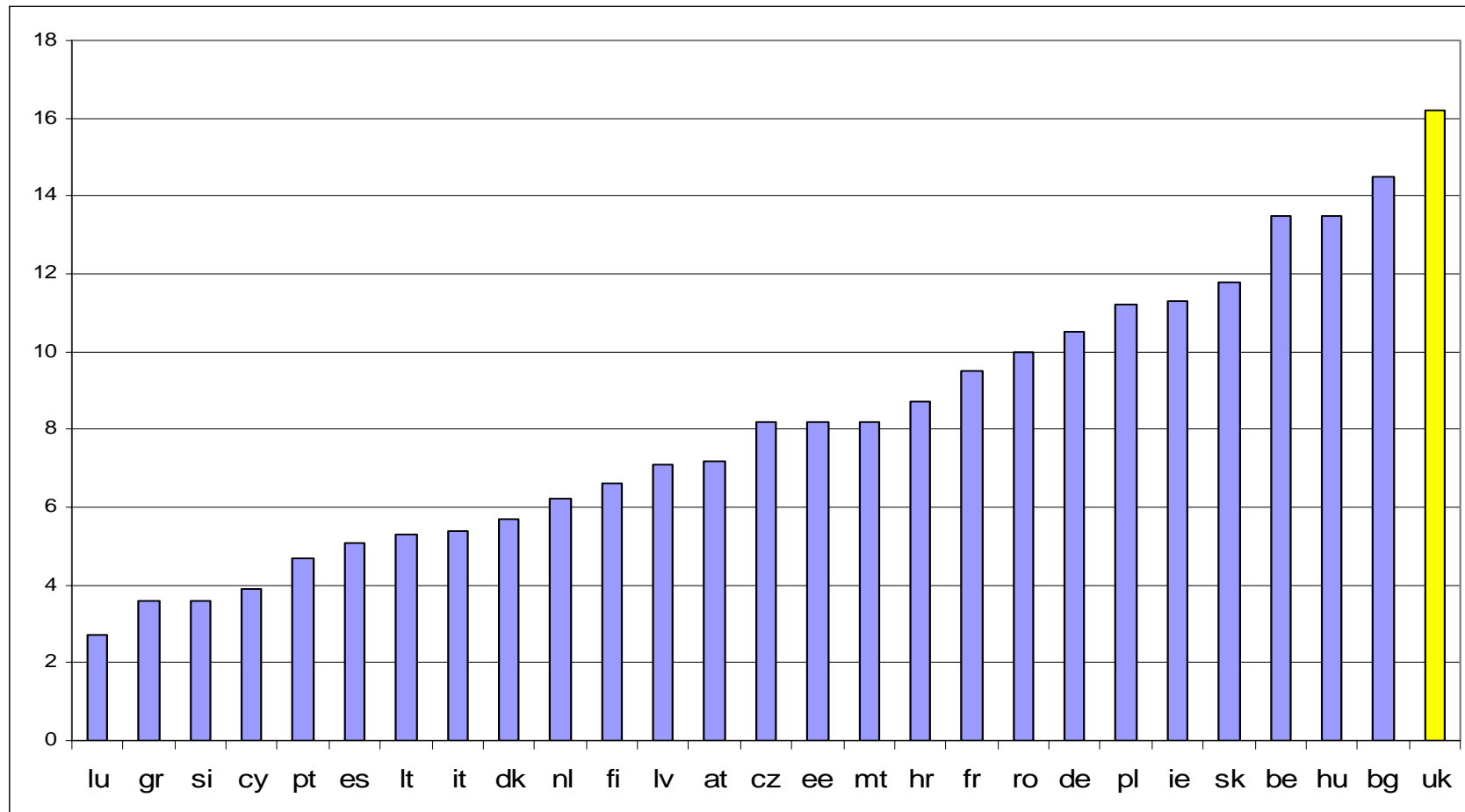


Source: Bradbury and Jantii (1999)

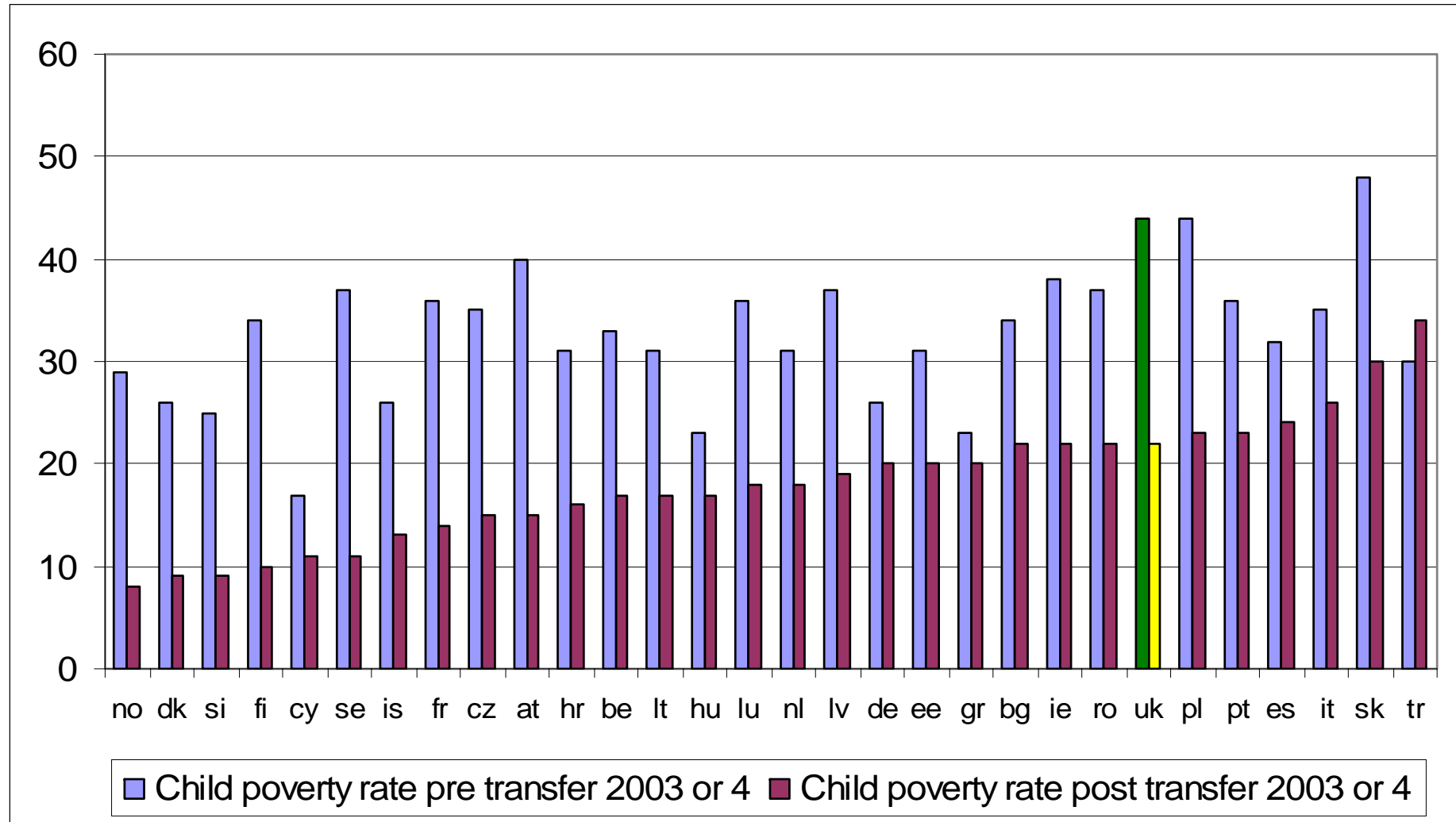
Child poverty rate (<60% median) 2003/4 (Eurostat 2007)



% children 0-17 living in workless households 2006. (Eurostat 2007)



and post benefits 2003 or 4 (Eurostat ^{SIPRIU} 2007)

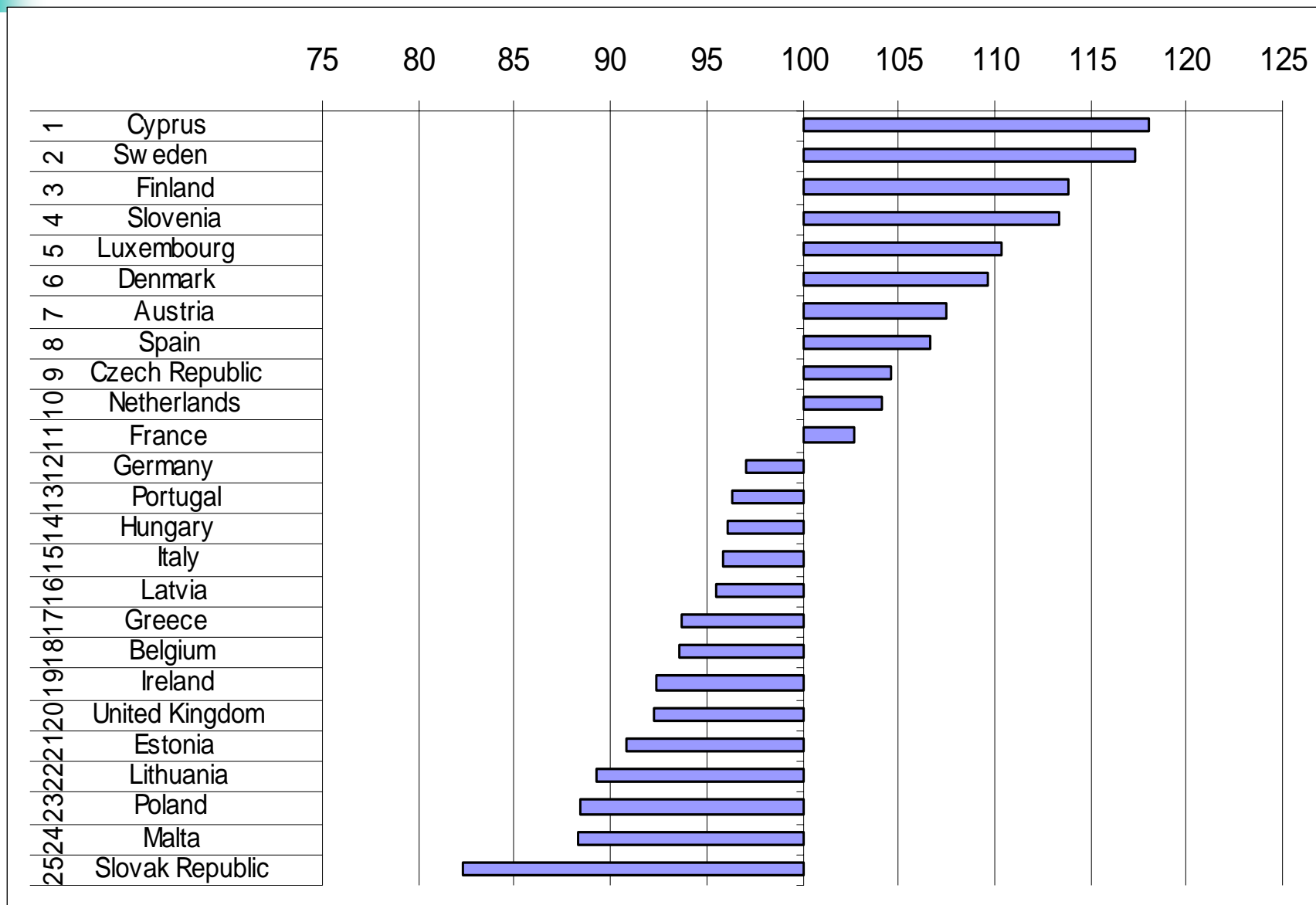




Material situation

- ◆ Relative child income poverty
 - ✍ Child poverty rate
 - ✍ Child poverty gaps
- ◆ Child deprivation
 - ✍ Lacking car, own bedroom, holidays last year, a computer
 - ✍ Lacking a desk, quiet for study, a computer, calculator, dictionary, text books
 - ✍ Less than ten books in the home
- ◆ Parental worklessness

Material situation





Who is poor now?

- ◆ Children with parents (53% of all households)
 - ✍ Low paid - half
 - ✍ Out of employment
- ◆ Older people (17%)
- ◆ Working age childless couples (10%) and singles (19%) – mainly out of employment
- ◆ Women – lone mothers and the very old
- ◆ Some ethnic groups
- ◆ Wales and London and spatial concentrations



End of child poverty

- ◆ Prime Minister's pledge:

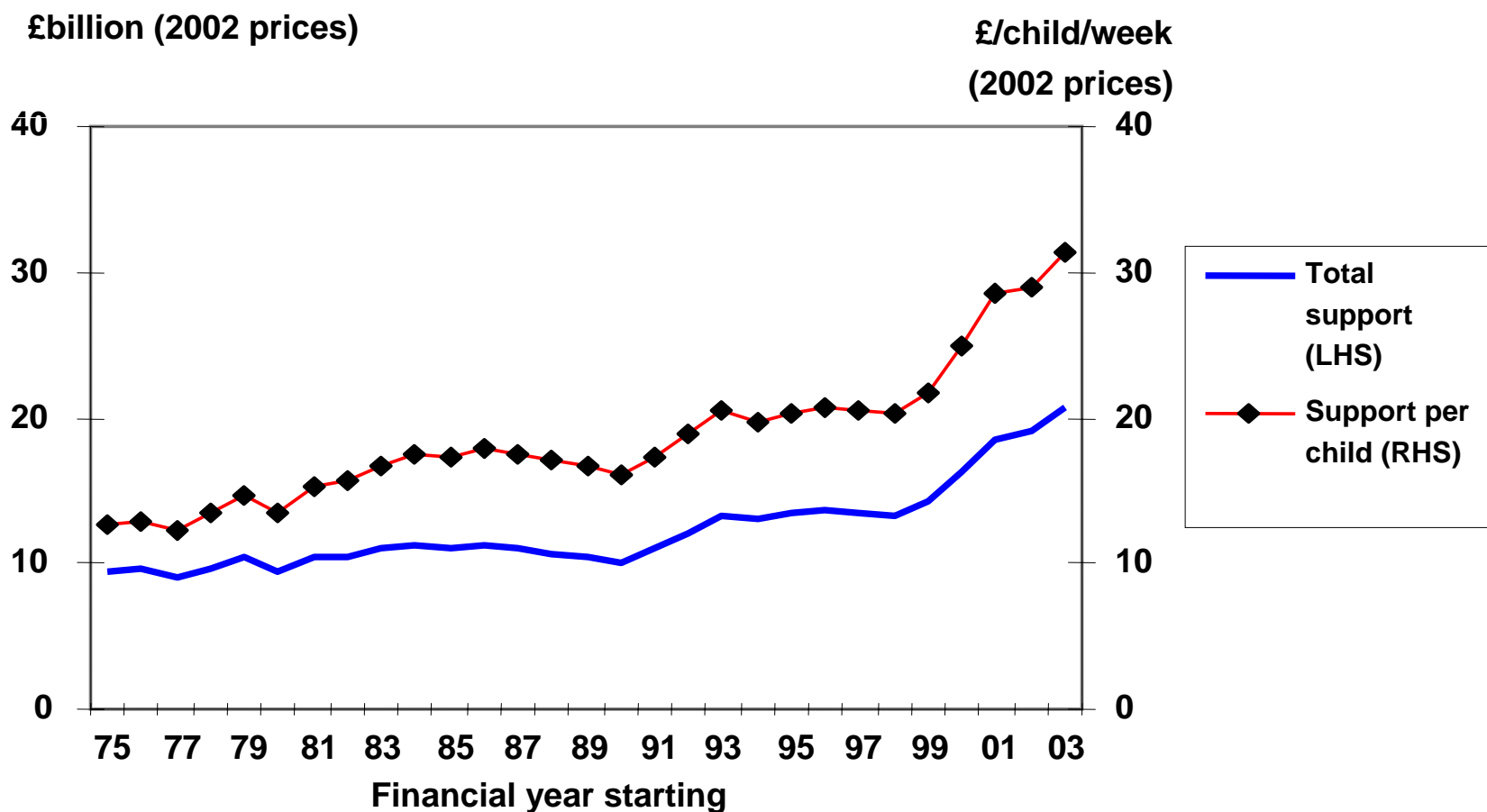
“Our historic aim, that ours is the first generation to end child poverty forever....It's a 20 year mission but I believe it can be done”



The strategy

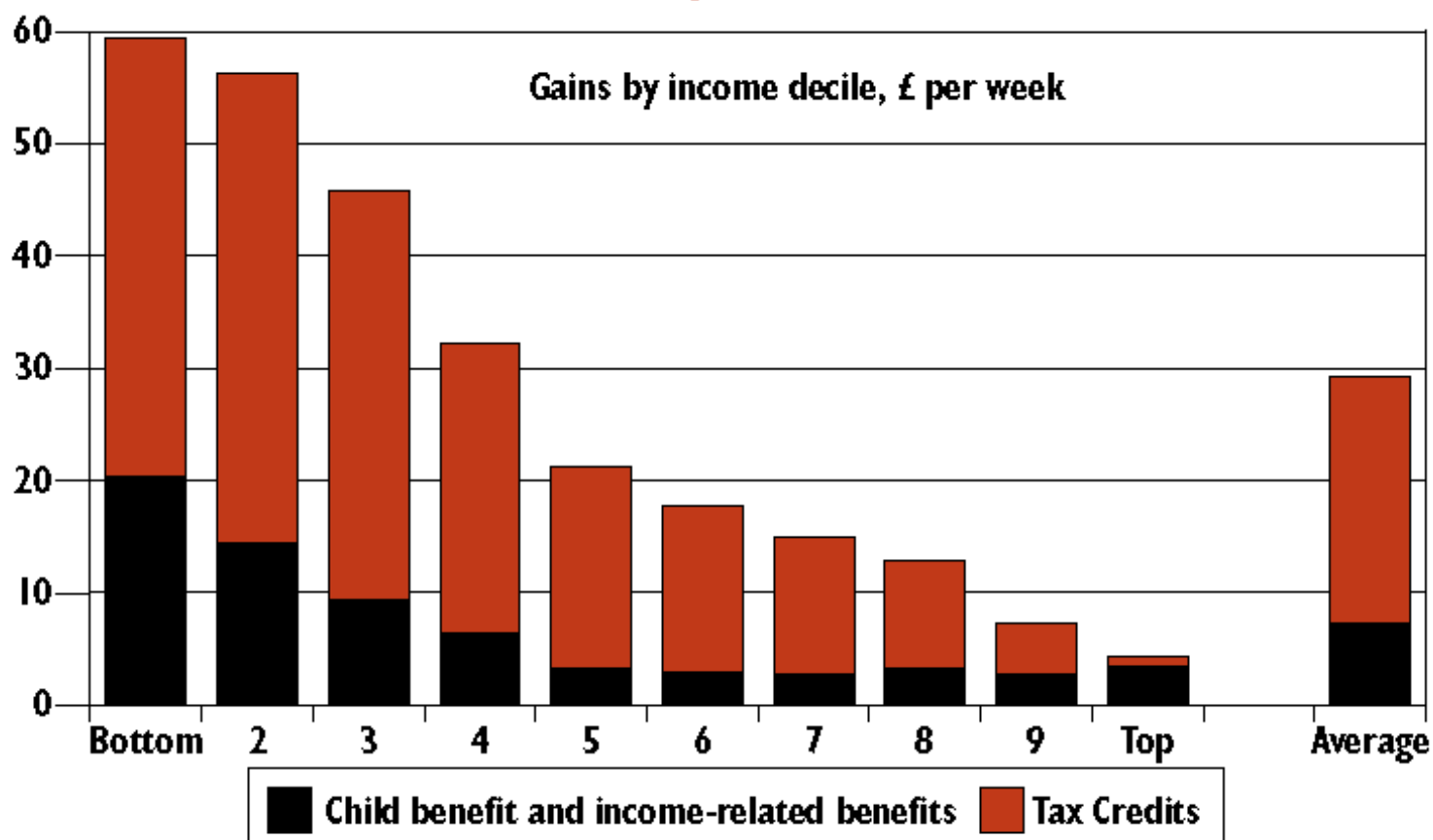
- ◆ Manage economy to ensure low inflation and high employment – big dividends
- ◆ Welfare to work – modest dividends
- ◆ Increases in in-work benefits - some dividends
- ◆ Increases in out-of-work benefits – few dividends so far (except pensioners)
- ◆ Invest in services 2002 and 2004 spending reviews – long term dividends
- ◆ **Overall it is an excellent record**

UK tax and benefit support for children, 1975-2003



2005: *Can Child Poverty be Abolished? Promises and Policies in the UK*, H. Sutherland: ASPC Sydney 20th July 2005,

Chart 6.1: Gains for families as a result of tax credits and other children's measures by 2005



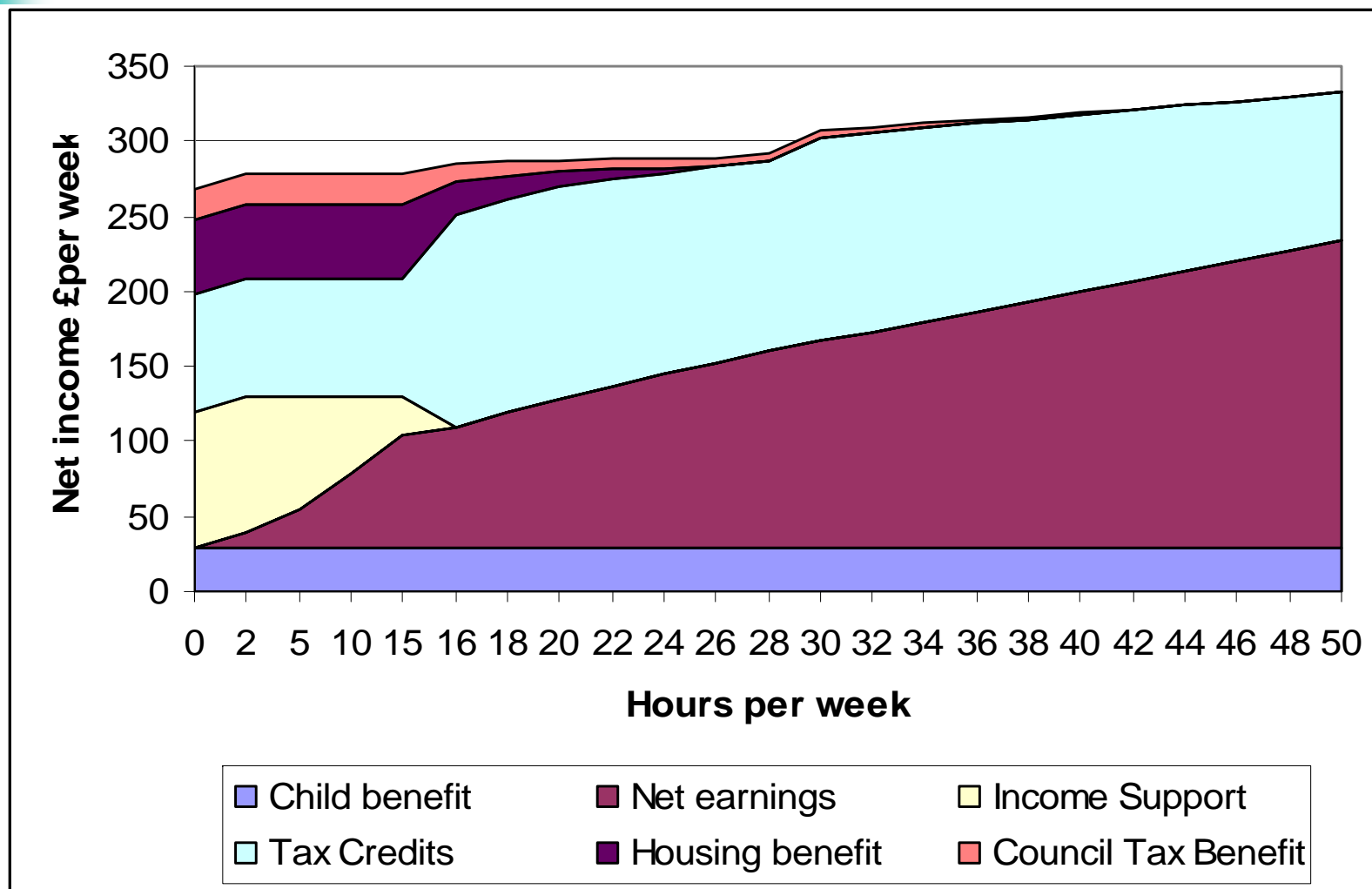
Source: HM Treasury.



Anxieties

- ◆ Ministerial reticence
- ◆ Behavioural tendencies
- ◆ Worklessness still high and very spatially concentrated
- ◆ Job gets harder
- ◆ Limits to employment strategy

Tax benefit model table situation after April 2006





Final word

- ◆ Still twice as much child poverty as there was in 1979
- ◆ Still much to do to reverse damage of Conservative years
- ◆ Needs £4-5 billions to achieve 2010 child poverty target
- ◆ Redistributive fiscal policies would
 - ✍ Generate that revenue
 - ✍ Make the child poverty target easier
 - ✍ Reduce market generated income inequalities