

What is needed to end child poverty in Wales?

Viewpoint
Informing debate

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Previous JRF studies on 'What is needed to end child poverty in 2020?' set a challenging agenda for the UK Government. Victoria Winckler reflects on their implications for tackling child poverty in Wales.

Key points

- Approximately 32 per cent of children in Wales – 192,000 children – live in poverty. The Welsh Assembly Government (WAG) has supported the UK Government's target to eradicate child poverty by 2020, and is preparing a new child poverty strategy.
- Previous JRF studies argued that radical changes to UK Government policy are needed to end child poverty by 2020. The new child poverty strategy is an opportunity to include some of the recommendations in areas devolved wholly or partially to Wales.
- The evidence suggests that to meet the specific target of eradicating income poverty, the Welsh Assembly Government should:
 - increase help for parents to find employment, in partnership with DWP, through enhanced welfare-to-work programmes, seeking additional powers to do so where necessary;
 - dramatically improve childcare provision, including before and after school care and holiday care, and enhance support for carers who want to work;
 - promote flexible and good quality employment, including family-friendly working and decent pay and conditions, in public and private sectors;
 - encourage public and voluntary sector employers to participate in Local Employment Partnerships;
 - considerably improve the skills and qualifications of adults, taking account of specific needs of parents; and
 - review benefits, grants and allowances administered by the Welsh Assembly Government and local authorities and promote benefit take-up.
- Action to improve the long-term well-being of children, in particular through education, should continue. In addition, action in other devolved areas, such as health, should be developed.
- The opportunity for the Welsh Assembly Government to seek further legislative powers to tackle child poverty should also be considered.

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The current child poverty situation in Wales

How many children?

Latest figures suggest that approximately 32 per cent of children in Wales live in households whose income (after housing costs) is less than 60 per cent of the UK median – about 192,000 children. Between 1999 and 2005, the proportion of children living in poverty fell more quickly in Wales than in any of the English regions, taking it to around the Great Britain average, but this has now increased.

Child poverty in Wales is particularly associated with:

- Living in a workless household – around 60 per cent of children in poverty live in a household where no one works.
- Living in a lone-parent household – four out of ten children in poverty (42 per cent) live in a household headed by one adult.
- Living with a disabled adult – 40 per cent of children who live with a disabled parent are in poverty compared with 25 per cent of children with non-disabled parents (Save the Children Fund / Bevan Foundation, 2007).

What is being done in Wales?

The Welsh Assembly Government supports the UK Government's commitment to halve the 1997 level of child poverty by 2010 and to eradicate child poverty by 2020. Unlike the UK Government's approach, the Welsh Assembly Government's child poverty strategy, *A Fair Future for Our Children* (Welsh Assembly Government, 2005), is firmly located within the UN's Convention on the Rights of the Child. As a result, the child poverty strategy for Wales includes other aspects of children's well-being as well as income poverty. The key elements of the 2005 strategy are:

- **Reducing income poverty** through access to employment and reducing financial exclusion;
- **Ending participation poverty** through increasing opportunities for leisure and social activity, eradicating discrimination and bullying, and listening to children;
- **Reducing service poverty** through improved access to mainstream services and through targeting of some services.

The 2005 strategy was followed by a set of milestones and targets to measure progress (Welsh Assembly Government, 2006a) and Phase 1 of an implementation plan which emphasised 'policy proofing' and 'programme bending' as well as some specific initiatives (Welsh Assembly Government, 2006b).

The commitment to eradicate child poverty was confirmed by the Welsh Assembly Government elected in 2007. The *One Wales* programme (Welsh Assembly Government, 2007) made eradicating child poverty a high priority and supplemented the existing child poverty strategy with commitments to:

- establish an 'expert group' to advise on policy and progress – the first report is on education 4–14 years (Child Poverty Expert Group, 2008);
- seek legislative powers over aspects of children's well-being – the Legislative Competence Order on vulnerable children has been approved (National Assembly for Wales, 2008) and draft legislation to place statutory duties on public agencies in respect of child poverty is progressing (Welsh Assembly Government, 2008a; 2009);¹
- publish data on the extent of child poverty in Wales and report regularly on progress (included in a Child Well-being Monitor (Welsh Assembly Government 2008b)).

The child poverty strategy was further supplemented by a Ministerial Written Statement in February 2008 (reproduced in Welsh Assembly Government, 2008a), which emphasised three strands: improving life opportunities, increasing financial inclusion and improving take-up of UK tax credits and benefits.

In January 2009, the Welsh Assembly Government confirmed that work would begin to prepare a new child poverty strategy during the year, to reappraise and consolidate its content and direction. The strategy will also need to address the huge challenge of meeting the 2020 target, and also take account of changes in the legislative context since the 2005 strategy. In particular, the Government of Wales Act (2006), which gives the Welsh Assembly Government the ability to seek new devolved powers, provides potential to secure some control over the key policy areas which are not devolved, such as welfare to work.

Is enough being done in Wales?

The Welsh Assembly Government's commitment to tackle child poverty as a high political priority has been widely welcomed. However, notwithstanding the progress made in the first half of the decade, there are a number of questions about the approach to date.

First, the co-ordination and delivery of the 2005 strategy has been criticised. An inquiry by the National Assembly for Wales Children and Young People Committee into child poverty concluded that there was a 'lack of strategic co-ordination' by the Welsh Assembly Government (National Assembly for Wales Children and Young People Committee, 2008), and commented that Wales lacked 'a clear, coherent and up-to-date approach' to child poverty. The inquiry also found that some of the commitments in the 2006 Implementation Plan strategy had not been fully implemented, such as the 'child poverty proofing' of mainstream policies, and concluded that there was insufficient monitoring of the impact of policies.

Second, and much less often discussed, is the question of the Welsh Assembly Government's ability to achieve the child poverty target through its own efforts. As it has itself acknowledged, the Welsh Assembly Government does not control many of the key tools with which specifically to address child poverty, such as taxation and benefits, the national minimum wage, employment rights and welfare-to-work programmes. However, the Assembly Government does have considerable powers over other policy areas that affect children's well-being, such as education and learning, childcare, social care and play. The approach to child poverty has emphasised these areas, with education being particularly prominent (Egan, 2007). A number of recent developments in education policy and practice,

such as Flying Start, the Foundation Phase, the additional funding made available to schools with high concentrations of disadvantaged students (through RAISE) and the School Effectiveness Framework, are explicitly linked to tackling child poverty. Significantly, the Child Poverty Expert Group and the National Assembly for Wales Children and Young People Committee both decided to begin their work by looking at education.

However, action on education mostly has an indirect and longer-term impact on children's well-being, and a correspondingly limited short-term effect on the material conditions of children and their families. It is thus particularly difficult for the Welsh Assembly Government to achieve a relatively narrow, income-based target within a relatively short timescale, even if its emphasis on education may prove highly effective in the longer term.

Third, the scale of the challenge to eradicate child poverty by 2020 is huge. The progress made in the first half of the century has stalled, the recent growth in employment in Wales as elsewhere in the UK has begun to reverse, and severe pressure on public expenditure is widely anticipated. In other words, the conditions in which child poverty began to decline have gone and may not return for some time, if at all.

A new child poverty strategy for Wales thus faces some tough challenges. It is vital that it both recognises and complements UK-wide policies, as well as pursuing its own devolved policies; it must be effectively delivered; and it must be appropriate to the scale and impact of child poverty in Wales.

What is needed to end child poverty in Wales?

Ending child poverty in the UK

Hirsch (2008) provides a comprehensive review of the evidence on 'what is needed to end child poverty in 2020'. The findings set out an agenda for action to achieve the target at UK level. The key points of the review are:

- No single policy can achieve the target.
- Helping parents into jobs is crucial, but the strategy needs to consider factors that affect earning opportunities.
- Action to improve in-work incomes is also needed, and requires further thinking about earnings levels as well as earnings top-ups.
- The level of benefits for those out of work will need to be increased so that parents who cannot work avoid poverty.

Hirsch then identifies four areas where there need to be major shifts in policy if child poverty is to be addressed. These are:

- childcare;
- flexible and quality employment;
- the skills of parents; and
- benefits and tax credits.

Hirsch also concluded that families, employers and government need to work in a new 'partnership', which would repair the 'damaging mistrust' which exists between families and the state.

Delivering the agenda proposed by Hirsch will not be straightforward, not least because two of the key policy areas identified, childcare and skills, are devolved. Even where policies are not devolved, the Welsh Assembly Government has a role to play in complementing UK Government initiatives. Indeed, given Hirsch's conclusion that no single policy can achieve the target on its own, it is vital that both UK and Welsh policies are brought to bear on child poverty.

Ending child poverty in Wales

Hirsch's review of the evidence (Hirsch, 2008) provides a useful backcloth against which to reappraise the approach to tackling child poverty in Wales. The rest of this paper reflects on Hirsch's conclusions and considers how they might be taken forward in the preparation of a new child poverty strategy for Wales. The views are informed by, but do not necessarily represent, the views of participants in a discussion in Wales in December 2008.

People into jobs

Hirsch argues that 'improved routes into work' is an area requiring a new drive if child poverty is to be eradicated. He suggests that although various welfare programmes have played an important role in helping parents into jobs to date, more needs to be done to meet the scale of the challenge in the next decade. Helping parents into work is crucial in Wales, where 60 per cent of poor children live in households where no one is working.

The Welsh Assembly Government has implemented its own welfare-to-work programmes to complement mainstream Department for Work and Pensions (DWP) programmes.² These have included:

- Want 2 Work – provided advice and support for people who are economically inactive in parts of Wales.
- Genesis – supported parents to find work and provided childcare.
- JobMatch – intensive support in the Heads of the Valleys area.

The DWP's programmes are currently undergoing major reforms in which there is much greater emphasis on claimants taking up employment, including lone parents being required to seek work, rigorous assessments of disabled people and sanctions for people who do not comply with DWP requirements. There is some unease that these reforms do not take account of specific circumstances in Wales (BBC Wales News report, 2008; Winckler, 2008). These include the low levels of labour demand in some areas, the lack of accessible and/or affordable childcare and poor public transport.

Related research

In 2008, seven JRF reports and a summary *Round-up* reviewed what is needed to end child poverty in 2020.

Round-up:

What is needed to end child poverty in 2020? Donald Hirsch

Reports:

Can work eradicate child poverty? Dave Simmonds and Paul Bivand

Childcare and child poverty Jane Waldfogel and Alison Garnham

Ending severe child poverty Jason Strelitz

Addressing in-work poverty Peter Kenway

Tackling child poverty when parents cannot work Martin Evans and Lewis Williams

The effects of discrimination on families in the fight to end child poverty Matt Davies

Parental qualifications and child poverty in 2020 Andy Dickerson and Jo Lindley

Despite the importance of employment to eradicating child poverty, welfare-to-work programmes have not been a prominent feature in the child poverty strategy in Wales to date. This is in part because DWP's welfare programmes are not devolved, although the emergence of the Welsh Assembly Government's own welfare programmes suggests that they may play a much more central role in future. In addition, there is potential to explore devolution of the management of mainstream programmes, if not the programmes themselves, to Wales, to ensure they are adapted to circumstances in Wales.

It is vital that helping parents into jobs, through welfare-to-work programmes, is fully integrated into a Welsh child poverty strategy if the Assembly Government is to stand a chance of achieving the 2020 target. Non-devolved, mainstream DWP programmes, Welsh Assembly Government and other, local, programmes need to be included. In addition, changes to DWP welfare-to-work programmes must recognise the specific circumstances in Wales and in particular should take the greatest of care to avoid causing severe hardship to children by imposing benefit 'sanctions' on parents. The Welsh Assembly Government should also encourage public sector and voluntary sector employers to participate in Local Employment Partnerships, which aim to provide job opportunities for participants in welfare-to-work programmes.

Working and parenting

A second key element of Hirsch's review of evidence is working and parenting. He calls for a reconciliation of the sometimes conflicting pressures on parents to work and to fulfil their parental responsibilities. Further steps need to be taken (as set out in Waldfogel and Garnham, 2008) to improve childcare provision and to provide better ways of offering targeted financial support. Hirsch suggests that radical change is still needed 'to get to the situation that exists in some European countries where childcare is taken for granted as a local service, both affordable and available where needed.'

Childcare is for Children, the Childcare strategy for Wales (Welsh Assembly Government, 2002), aims to ensure 'that childcare is widely available and affordable' and that it gives parents 'flexibility and choice' in how they balance family, work and other commitments, whilst at the same time ensuring that childcare supports the developmental needs of children. The *One Wales* programme substantially strengthened the Welsh Assembly Government's aims for childcare, committing it to 'progressing the provision of universal, affordable childcare'. This is being done through the *Flying Start* programme which provides a menu of services for children in disadvantaged areas including free part-time care for two-year-olds, enhanced health visiting and parenting support. Legislation is proposed that would provide free childcare for two-year-olds in specified

disadvantaged areas (Welsh Assembly Government, 2008a).

Nevertheless, there appears to be a shortage of childcare provision. In Wales there is one registered childcare place for every 7.3 children, compared with one place for every 5.7 children in England (Care and Social Services Inspectorate Wales, 2008; Ofsted, 2008; National Statistics, 2008). Further, the increase in the number of places in Wales has stalled after growth in the first years of the decade. Much of the provision for under-fives is part time (for example current guidance on *Flying Start* provision is to provide 12.5 hours a week, 42 weeks a year) and area-based initiatives do not address the needs of poor children living outside disadvantaged areas. Provision for school-age children also remains an issue that is not always recognised in policy, along with the particular needs of disabled children.

Although the Welsh Assembly Government's initiatives are very welcome, it seems that in Wales, as in the rest of the UK, childcare is an area in which there must be a major change if the child poverty target is to be met. A number of recommendations by Waldfogel and Garnham (2008) can be adapted to be relevant to Wales, namely:

- rolling out the childcare element of *Flying Start* to all areas of Wales;
- increasing the provision of part-time education for three- and four-year-olds to 20 hours a week, rising to 30 hours a week;
- integrating free, part-time provision into a wider package of care for those who need wrap-around care for longer hours or for care in atypical hours;
- reviewing the capacity of the childcare sector in the light of free provision;
- reviewing out-of-school and holiday provision for five- to eleven-year-olds and over-elevens;
- exploring ways of meeting the childcare needs of parents working atypical hours;
- improving the quality of childcare by moving towards a graduate workforce; and
- ensuring provision is integrated with the requirements of Working Tax Credits.

Lack of childcare provision is not the only constraint on parents' employment. Wales has high levels of sickness and disability, and also a high proportion of the population (13 per cent) who provide unpaid care to a family member, relative or neighbour. Both male and female carers providing more than 20 hours a week of care are much less likely to be in employment than non-carers (Yeandle *et al.*, 2007). A child poverty strategy thus also needs to consider how best to support carers in employment, at the same time as increasing provision of childcare.

Flexible, quality employment

Hirsch argues that simply getting people into work is not enough to meet the child poverty targets – the nature of work that parents undertake also matters. Most obviously, the hours and pay associated with work determine a household's income, and hence the likelihood of its members living in poverty. However, its significance is greater than that: job quality is a key element in family choices about how much work is done and by whom, especially whether both adults in a couple household choose to work (Kenway, 2008). This choice is a crucial one, as a second job in a household can make the difference between poverty and an acceptable living standard. It should not be forgotten that 40 per cent of children live in households where someone is in employment.

Employment quality has been virtually absent as an issue in the child poverty strategy in Wales, nor has it been prominent in strategies on the economy and skills. This is not to say that the need is not pressing: research suggests that women and men in Wales are less likely to have access to flexible working arrangements than in England (Dex and Ward, 2007); low pay is just as prevalent in Wales as elsewhere in the UK, and is exacerbated by the gender pay gap; and there are suggestions that social mobility in Wales is no better, and possibly worse for younger age groups, than elsewhere (Paterson and Iannelli, 2007).

Although employment quality is generally considered to be a non-devolved issue, there have been several initiatives on work–life balance supported by the Welsh Assembly Government (Chwarae Teg, undated), *Agile Nation* being the latest major new project to promote flexible working. However, these initiatives are primarily driven by concerns about gender equality and business performance rather than addressing the employment needs of parents to alleviate child poverty.

The dominance of the public sector in the Welsh labour market and the partnership between the Welsh Assembly Government and trades unions provides a unique opportunity for job quality issues to be addressed. There is, therefore, a strong case for including the promotion of 'family-friendly' employment in the new child poverty strategy.

Skills of parents

The fourth area in which Hirsch calls for major change is the skills of parents. Alongside changes in the demand for labour, he suggests that changes in the supply side, namely higher skills and qualifications, are also needed amongst parents if they are to benefit from more flexible work (and vice versa).

There is a substantial focus on adult learning and education in Wales, as set out in the Learning and Skills Strategy (Welsh Assembly Government, 2008c),

but within this there is little if any emphasis on parents. Surprisingly, there is also little reference to childcare, despite it being identified as a barrier to learning by 11 per cent of women (Aldridge *et al.*, 2007). In contrast, the child poverty strategy overwhelmingly focuses on learning by children themselves, particularly early years education (Egan, 2007).

It is a moot point whether specifically addressing parental skills is appropriate given the high proportion of adults who become parents (and the unpredictability of parenthood!). Any initiative to engage parents in learning would need to address some social groups' strong aversion to participation. Nevertheless, there should undoubtedly be a place in the child poverty strategy where the skills and learning of adults, including the specific needs of parents, are addressed. This could, at a minimum, include family-friendly learning and childcare.

Benefits and tax credits

Hirsch argues that 'basic benefits need to provide an adequate foundation for improvement in families' lives, enabling them to avoid hardship and debt.' He then outlines the key ways in which the tax and benefits system needs to change:

- the benefits/tax credits system needs to be on the side of clients;
- the complexity and retrospective payments of the present tax credits system need to be reduced;
- the benefits system needs to encourage rather than discourage flexible working, particularly for people with weak links to the labour market taking first steps back into it;
- better long-term security in the safety-net for families who are out of work, so they can avoid debt, for example through regular and predictable uprating of benefits.

Although the Welsh Assembly Government has little influence or control over the main body of the tax/benefits system, local authorities administer a number of other benefits, namely Housing and Council Tax Benefits, and other grants and allowances including free school meals and school breakfasts, school uniform grants, educational maintenance allowances, concessionary fares on public transport and charges for publicly-run leisure and cultural activities. Many of the grants and allowances are more generous and/or have wider eligibility criteria than their equivalents in England, although most are not explicitly framed as measures to tackle child poverty. Take-up of benefits is also an issue: the Welsh Assembly Government has identified encouraging benefit take-up as an element in its approach to child poverty.

Therefore, there is potential to address the take-up, operation and delivery of benefits, grants and allowances in Wales to focus them on child poverty and to streamline their administration. The way in which benefits and allowances encourage rather than discourage parents' employment could also be considered. In December 2008, discussions for this *Viewpoint* also identified devolution of the administration of the major benefits and tax credits as worthy of consideration.

Conclusion

The evidence is clear that radical changes in employment, childcare, skills and the taxation and benefits system are needed if the UK is to eradicate child poverty by 2020. Whilst some of these changes will be led by the UK Government, the Welsh Assembly Government also has a crucial role to play. This suggests that to meet the specific target of eradicating income poverty amongst children the Welsh Assembly Government will need to focus its strategy on:

- providing help for parents to find employment, through both DWP welfare-to-work programmes and its own initiatives, if necessary seeking additional powers to manage DWP programmes;
- dramatically improving childcare provision, including that for school-age children as well as under-fives, and enhancing support for carers who wish to work;
- promoting flexible and good quality employment, including family-friendly working and decent pay, particularly in the public sector;
- encouraging employers to participate in Local Employer Partnerships;
- considerably enhancing the skills and qualifications of adults, taking account of specific needs of parents; and
- reviewing the benefits, grants and allowances controlled by the Welsh Assembly Government and increasing take-up of Welsh and UK benefits.

In addition, if the Welsh Assembly Government wishes to meet its commitment to eradicate child poverty by 2020 it will need to introduce and resource a comprehensive range of other policies. It has already made a start in addressing child poverty in education, but this is by no means the only important area. Health is another key policy area, with poor child health being closely associated with child poverty (NPHS, 2007), yet it has received considerably less attention.

About this paper

This paper was written by Victoria Winckler of the Bevan Foundation, an independent think-tank concerned with social justice in Wales.

It draws on the conclusions of recent reports commissioned by the Joseph Rowntree Foundation on 'what is needed to end child poverty by 2020', and in particular the overview produced by Donald Hirsch. These documents are available to download free from the JRF website: www.jrf.org.uk.

The views in this paper have been informed by a discussion with participants in a discussion in Wales held in December 2008, but the conclusions drawn are those of the author alone.

Notes

- 1 This legislation is separate to the proposals for bodies in England.
- 2 At the time of writing, evaluations of these programmes had not been published.

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