

Britain: Labour cooks the books on child poverty

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One of New Labour's central pledges after being elected in 1997 was to halve child poverty in a decade and eradicate it within 20 years. To great fanfare at its re-election last year, Chancellor Gordon Brown boasted that Labour had lifted 1.2 million children out of poverty. He claimed that the number of children living below the poverty line fell from 4.4 million in 1996/97, to 3.2 million in 2000/01.

Newly released figures published in the annual document, *Households Below Average Income*, by the Department for Work and Pensions, indicate otherwise. Household income figures measure poverty relative to generally rising incomes. Those below 60 percent of the average income, measured, after housing costs, are considered to be living in poverty-stricken circumstances. The newly released household income figures suggest the reduction in child poverty is less than half that claimed by Brown and the reduction is closer to just half a million.

One in three British children still live in poverty—double the rate in France and five times that in the Nordic countries. A report published by UNICEF in June 2000, measuring relative poverty, placed Britain 20th out of 23 nations. Even in the unlikely event of Labour meeting its stated target of reducing child poverty by half in 10 years, the country would still be stuck with the highest child poverty in Europe.

Ministers, however, still insist their target to reduce child poverty by a million in their first term has been met. In the meantime they are furiously attempting to reformulate the official methods of poverty calculation in order to mask their failure. On release of the incriminating child poverty figures, ministers briefed journalists that Labour had lifted more children out of poverty but, because the national average wage had increased, it had made it even harder from them to raise

poorer incomes above the average.

Work and Pensions Secretary Alistair Darling resorted to hypothetical claims that even more children would have slid into poverty had the Conservatives remained in power.

The former social security minister Frank Field, who was dumped from the New Labour cabinet early in its first term, called the results, “a let-down, especially as in the strategy's early years *many families were only just below the poverty line.*” [emphasis added]

This is an important observation. That so many families were previously only marginally below the poverty level means that they required only a very small increase in income to raise them above the threshold. And this is what Labour has done. Most families who have been raised marginally above the poverty line are those who are in receipt of the working family tax credit, which is dependent upon them accepting low paid employment. But those who are raised just above the official poverty line can just as easily fall down below it.

The Blair government says there is no dignity outside of the labour market and is using these measures to further erode welfare provision. Many of those families who remain in poverty are single parents and those dependent solely on benefits for their income. While in-work benefits have meant that taking a low paid job makes a family slightly better off, unemployment benefits have decreased enormously in relative value when compared to wages.

This situation means that when the present period of economic growth ends, even more families will be thrown back into even deeper poverty.

Receiving a few pounds above the official poverty line does not alter the fact that millions of people continue to be haunted by economic insecurity. Recent

research suggests that while a minority of families who rely exclusively upon social security remain in poverty for protracted periods, many others, as many as 60 percent of the total British population, experience intermittent periods of poverty over extended periods of time. Those suffering poverty at any one time are only a minority of those who have suffered from poverty-ridden circumstances over a more extended period.

Darling has also made the dubious claim that the poorest fifth of society had enjoyed income increases on a par with that of the highest fifth since 1997. He used this to imply that the growth of inequality has peaked. But even if one accepts the claim of a five percent increase in income at either end of the scale, there is a vast difference between five percent of not very much at the poorest end, and five percent of millions at the other.

Just one week after the release of the embarrassing child poverty figures, the government announced plans to redefine the calculation of child poverty figures—claiming the current method to be inadequate. One can safely bet that whichever formula is finally decided upon, it will be that which enables the government to triumphantly proclaim it is on target in its poverty reduction plans. When a similar overhaul of the official measurement was implemented in the Irish Republic, poverty immediately shrank, as if by magic, from 26 percent to 6 percent.



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