

Child Poverty: The United Kingdom Experience



Jane G. Mansour, MRes; Megan A. Curran, LLM, MPP

From the Centre for Economic & Social InclusionUS (Mss Mansour and Curran), Washington, DC; and University College Dublin, School of Social Policy, Social Work, and Social Justice (Ms Curran), Ireland

The content of this article is based on research funded by First Focus, Washington DC, published as: First Focus. Branosky N, Mansour J. A Look Back at the UK Child Poverty Target: Transferable Themes for the United States. Available at: <http://firstfocus.org/resources/report-a-look-back-at-the-uk-child-poverty-target-transferable-themes-for-the-united-states>.

Conflicts of interest: Ms Curran was employed by First Focus from 2009 to 2013. Ms Mansour reports no conflicts of interest.

Address correspondence to Megan A. Curran, LLM, MPP, Geary Institute for Public Policy, Desk 6.1, University College Dublin, Belfield, Dublin 4, Ireland (e-mail: megan.curran@ucdconnect.ie).

ABSTRACT

The United States has long struggled with high levels of child poverty. In 2014, 2 of 5 (42.9%) of all American children lived in economically insecure households and just over 1 in 5 children lived below the official absolute poverty line. These rates are high, but not intractable. Evidence from the US Census Bureau's Supplemental Poverty Measure, among other sources, shows the effect that public investments in cash and noncash transfers can have in reducing child poverty and improving child well-being. However, with significant disparities in services and supports for children across states and the projected decline of current federal spending on children, the United States is an international outlier in terms of public investments in children, particularly compared with other high-income nations. One such country, the United Kingdom (UK), faced similar child poverty challenges in recent decades. At the end of the 20th century, the British Prime Minister pledged to halve

child poverty in a decade and eradicate it 'within a generation.' The Labour Government then set targets and dedicated resources in the form of income supplements, employment, child care, and education support. Child poverty levels nearly halved against an absolute measure by the end of the first decade. Subsequent changes in government and the economy slowed progress and have resulted in a very different approach. However, the UK child poverty target experience, 15 years in and spanning multiple changes in government, still offers a useful comparative example for US social policy moving forward.

KEYWORDS: child poverty; comparative social policy; cross-national analysis; poverty targets; United Kingdom; United States

ACADEMIC PEDIATRICS 2016;16:S76–S82

IN 2000, THE United Kingdom (UK) Labour Government introduced a child poverty target, pledging to reduce child poverty in the UK by half within a decade and eradicate it within a generation.

For 10 years, the target underpinned a broad, at times intense, policy effort across government departments. In 2010, shortly before the Labour Party lost power, the target was made law. The Child Poverty Act of 2010 received all-party support and committed the government to meeting 4 separate child poverty targets by 2020, including absolute and relative income poverty measures.

The terms 'absolute' and 'relative' poverty are used throughout this article. Absolute poverty refers to a set standard (eg, pound or dollar amount) that does not change over time. It denotes a minimum income standard that people should not have to live beneath. It should be noted that the historic US absolute measure is on the basis of gross income (pretax, pretransfer), and the UK absolute measure is based on post-tax, post-transfer disposable income. Relative poverty is defined in terms of the society in which an individual lives—income as a proportion of average income. This means that the relative poverty threshold line rises as incomes rise. Both are important to understanding the effect of poverty and associated policy implications.

Relative poverty has long been considered the more important measure for the UK. This is because it is based on the premise of minimum living standards and takes into account changes in norms and income levels. To mitigate against social exclusion, the incomes of the poorest in society need to reflect changes in the wider national economy. The threshold of 60% of contemporary median household income is used by the UK government and the European Union.

A Conservative Party-led Coalition government took office in May 2010 and published their child poverty strategy in 2011. This outlined a new vision, shifting away from policies focusing on increasing income from work and government (in the form of benefits, tax credits, and reducing work-associated costs such as child care) to a focus on what they considered the 'drivers of poverty' (including family breakdown, poor education, substance abuse, and worklessness).

Victorious in the 2015 election, the Conservative Party proposed that the child poverty target, which was legally binding, should be abandoned and replaced with a 'duty to report' on broader, nonincome measures, including educational attainment and worklessness, with no legal obligation to meet targets set in these areas. As of January

2016, this proposal is currently undergoing parliamentary process.

These proposals have meant that the measurement of poverty, as well as its eradication, is now a central issue for UK policymakers, opposition politicians, and advocates. There is a significant distinction between defining poverty as primarily an issue of inadequate resources to meet needs, and positioning it as a collective term for a number of social problems. This distinction leads to different policy imperatives.

There are concerns that divorcing child poverty from income measures will make outcomes less tangible, and more difficult to measure and to positively affect with policy interventions. The ascribed drivers of poverty are heavily correlated with childhood poverty, but causation is not proved. There is considerable evidence showing the positive effect that an increase in income has on these ‘drivers’ (see, for example, Cooper and Stewart¹ and Akee et al.²) New proposed policies under the Conservative government, including increasing the minimum wage and reducing tax credits, cutting benefits to larger families, and increasing conditionality on benefits related to lifestyle (obesity/drugs), will no longer be measured by their effectiveness in increasing the incomes of families living in poverty. International comparison will also be more difficult. The European Union, Organization for Economic Cooperation and Development (OECD), and the United Nations, among others, all use an income-based approach for cross-national comparison of poverty—specifically, the measurement of household income relative to the median.

This change is relevant for the United States. Since its inception, US legislators, researchers, and advocates have tracked the implementation and evolution of the UK child poverty target as a long-term policy goal (see, for example, Center for American Progress Task Force on Poverty³, First Focus: Curran⁴, United States House of Representatives Ways and Means Committee⁵, and First Focus: Branosky and Mansour⁶). With similar trends in poverty, income inequality, economic performance, policy development, and government structures, the United States and the UK function as useful international comparators for each other, and have a long history of sharing social policy and public administration ideas.

In recent decades, the UK’s approach to child poverty has made a tangible difference. As Figure 1 shows, there was a sharp decline in UK child poverty between the years 1994 and 2013, despite changes in governments and economic circumstances. Broader income inequality in the UK over this time frame showed no significant change. Figure 1 shows a comparison with US performance in the same time period.

It is important to note that the United States measures absolute poverty on the basis of a pretax, prebenefit calculation of 3 times the cost of a minimum food diet in 1963, updated annually by price⁹ (translating to less than 35% of median income), and the UK measures absolute poverty at less than 60% of median disposable income (2010/2011 median income held constant in real terms). To allow a comparison of trend despite the

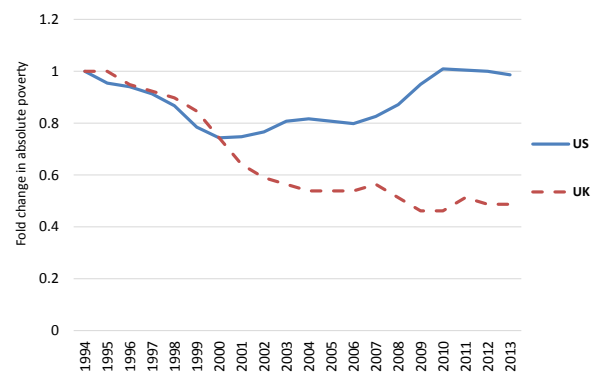


Figure 1. Trends in absolute poverty in the United States (US) and the United Kingdom (UK) relative to 1994 levels. As noted, the US and the UK use different definitions of income in the calculation of their absolute poverty rates. Although the 2 rates cannot be directly compared, this figure depicts the trends in each over a select period of time. US data from the US Census Bureau⁷; UK data from the GOV.UK, United Kingdom Department for Work and Pensions.⁸

differences in defined poverty levels, Figure 1 shows data normalized to 1994 levels of absolute poverty as measured in each country.

Over this same period of UK action, the United States has struggled with continually high levels of child poverty, particularly as measured on an absolute scale as in Figure 1. Newer supplementary poverty measure calculations by the US Census Bureau have begun to capture the positive effect of tax and benefit policy changes (increases in family tax credits, nutrition assistance, unemployment benefits, and more),⁹ similar to those enacted in the first decade of the UK child poverty target efforts. Data on regional, racial/ethnic, and age disparities,¹⁰ however, suggest there is considerable progress still to be made on child poverty in the United States.

The UK child poverty target experience, 15 years in and spanning multiple changes in government, offers a useful comparative example for US social policy moving forward.

WHAT HAPPENED IN THE UK?

The story is complex. Policies shaped by the UK child poverty target and performance against it can be categorized by a series of successive national strategies by political parties.

LABOUR GOVERNMENT (1997–2010)

The first decade of the target saw a focus on 3 key policy areas (for a comprehensive account of these policy changes, see Waldfogel¹¹):

- Increasing incomes of families with children through the introduction of a national minimum wage and tax credits (Child Tax Credit and Working Families Tax Credit [later reformed as Working Tax Credit]). The increase in tax credits did not only benefit families in work. Indeed, rates of benefit for children (younger than the age 11 years) in workless families were increased by over half in real terms. However, the child support policy elements were only indexed to inflation and so as median

Download English Version:

<https://daneshyari.com/en/article/4139328>

Download Persian Version:

<https://daneshyari.com/article/4139328>

[Daneshyari.com](https://daneshyari.com)