

Eradicating child poverty by 2020: An aspirational target?

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The current difficult economic and fiscal situation, coupled with the failure of the previous UK Government to reach its 2010-11 target of halving child poverty, could mean that the ambitious target of eradicating child poverty in the UK by 2020-21 remains an aspiration.

The challenge of eradicating child poverty

There has been broad cross party consensus for more than a decade about the need to end child poverty. Since 1999, both the UK and Welsh Governments have brought forward a raft of policies and strategies aimed at tackling the problem, but the numbers of children living in poverty remains stubbornly resistant to change. Binding legislative targets have now been placed on the UK Government to eradicate child poverty by 2020.

The numbers of children living in poverty remains stubbornly resistant to change

Child poverty is something about which children themselves can do little because they lack economic, social and political power. It is a complex, multi-dimensional problem, impacting not only on the day-to-day lives of children but on their life chances.

The social and financial costs of child poverty outlast childhood and cost not just the individual, but society as a whole. Research from the Joseph Rowntree Foundation has found that adults who have experienced childhood poverty are:

- less likely to work and so create more demands on benefits and employment services;

- more likely to have low earnings, and so reduce tax revenue; and
- more likely to be offenders, creating costs to the criminal justice system and welfare more widely.

Comparative research into the well-being of children continues to show that other countries do much better than the UK

The proportion of children living in poverty in Wales has fluctuated from 36 per cent (in 1996-97 to 1998-99) to its lowest point of 28 per cent (in 2003-04 to 2005-06). Child poverty is currently on the rise with 32 per cent of children living in poverty in Wales (approximately 192,000-200,000 children). There are also concerns about severe child poverty, with research commissioned and published by Save the Children indicating that Wales has a higher proportion of children living in severe child poverty (14 per cent) than England (13 per cent), or Scotland or Northern Ireland (both 9 per cent). Comparative research into the well-being of children continues to show that other countries do much better than the UK.

Why are the UK Government targets important for Wales?

The UK Government recently put in place legislation (*Child Poverty Act 2010*) which sets legally binding targets committing current and future UK governments to reducing relative child poverty and absolute child poverty by 2020-21. This kind of legislation setting legally binding targets for governments is unusual and is a relatively recent phenomenon in the UK.

Relative poverty – to reduce the proportion of children who live in families with income below 60 per cent of the median **to less than 10 per cent.**

Absolute poverty – to reduce the proportion of children who live below an income threshold fixed in real terms **to less than 5 per cent.**

Whilst it is the duty of the Secretary of State to ensure the targets are met in relation to the UK, they are important for Wales because they apply to the UK as a whole. The Welsh Government has said it recognises the importance of the UK targets and will use the policy levers at its disposal to aim to eradicate child poverty by 2020. The Act itself places duties on Scotland and Northern Ireland to publish child poverty strategies setting out their contribution to meeting the targets. The Act didn't need to place this duty on Wales because Wales had enacted its own legislation prior to the *Child Poverty Act* which already imposed corresponding duties on Ministers in Wales.

Can the targets be met?

Whilst the targets are not zero, they are at a level which would be comparable to the lowest in Europe and are therefore seen to be consistent with the 'eradication' of child poverty. The lowest child poverty recorded in any European country was 5 per cent. If the child poverty rate in the UK were reduced to 5 per cent, around 600,000 children would still be in poverty.

According to the Institute for Fiscal Studies (IFS), meeting the targets in 2020–21 looks extremely difficult, requiring the biggest fall in relative child poverty after 2013–14 since at least 1961. Forecasting the impact on poverty of the UK Government tax and benefit reforms, the IFS has found:

In 2011-12:

- negligible impact on child poverty;

In 2012-13:

- increase absolute / relative child poverty by about 200,000 / 100,000;

In 2013-14:

- increase absolute / relative poverty by about 300,000 / 200,000 children.

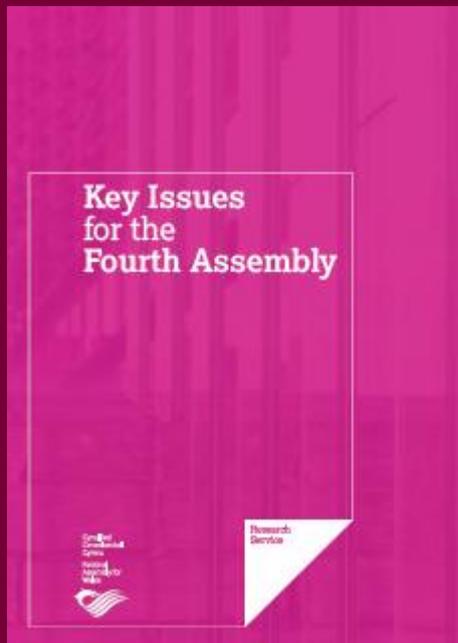
Unemployment is a root cause of child poverty, as is in-work poverty, and it remains the case that the way out of poverty involves paid work. Forecasts of job losses from spending cuts, and the high dependence Wales has on the public sector, make the prospects of achieving increased employment in the short term difficult.

The road to 2020

Child poverty will undoubtedly remain a high political priority as the UK Government and the devolved administrations work towards the 2020 targets. But there are real concerns about the scale of the challenge; about how realistic the targets are in the current economic climate; and about the direction of policy. There could be a risk for example that politicians will favour policies which have an immediate impact on parental income over less predictable and longer term responses which mitigate the impact of poverty on children, or improve poor children's well-being. This is because income-based measures and targets of child poverty have been highlighted over all other measures of child well-being. Balancing the need to show a reduction in the number of children living in child poverty, with improving longer term outcomes and child well-being will be a key challenge.

Neither the UK nor the Welsh Government can tackle the problem alone so it will clearly require a dual approach. Not having control of many of the key policy levers to address child poverty - specifically non-devolved areas of taxation and benefits – means it may well be difficult to achieve income based targets within relatively short timescales in Wales. But Wales does have considerable powers over social policy areas which affect children's well-being such as education and health; it has a rights-based approach to children's policy; and it has a strong focus on mitigating the effects of child poverty. These elements could have a more effective longer term effect on the life chances of young people in Wales.

Article taken from Research Service publication



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