

Foreword



Winning the battle against poverty is a central aim of this Government. In this, the sixth *Opportunity for all* report, we review the progress our investment and reforms are making and how our strategy is evolving, so that we can go even further.

The poverty we inherited in 1997 denied people opportunity, limited potential and stored up economic costs and social problems for the future. Disadvantaged children fell into poverty as adults and then into poverty in retirement. By addressing the causes of poverty as well as the symptoms, we have started to break this vicious cycle.

We know that for many the best route out of poverty will be work, so over the last seven years we have invested in and transformed the welfare system to make it active rather than passive, pluralist not monolithic, and based on responsibilities as well as rights. By investing in the New Deal we have got a million people working again, enabling us to increasingly focus support on the most disadvantaged groups – lone parents and people written off on incapacity benefits.

Our approach, combined with a strong and stable economy, is working. In 1997, there were more than 1.6 million people

unemployed, of whom over a third had been unemployed for over a year. Today, unemployment is at its lowest level for 30 years and employment is at record levels – up nearly 2 million since 1997. Employment has risen and unemployment fallen fastest in the areas where it was previously worst, with long-term unemployment down by three-quarters and long-term youth unemployment virtually eradicated. Lone parent employment is above 50 per cent for the first time ever, and we have stabilised the numbers on Incapacity Benefit after a three-fold increase between 1979 and 1997.

We are making work possible through intensive support and a focus on removing barriers to work. This means tailoring our approach to individuals' needs – like investing in childcare to help lone parents back to work, or investing in health and rehabilitation support for people on incapacity benefits.

We are also making work pay. As a result of our tax and benefit reforms, including the Working Tax Credit and Child Tax Credit, a couple with one child and a parent working full time at the National Minimum Wage is now £38 a week better off in work than on benefits.

We are also providing security for those who cannot work. In Spending Review 2004 we reaffirmed our commitment to halving child poverty by 2010 on the way to eradicating it by 2020. We are making good progress, with over half a million children lifted out of relative low income since 1997.

Pensioner poverty is also down – by 1.8 million, or two-thirds, in absolute terms since 1998. Pension Credit is now reaching over 3 million pensioners and boosting their household incomes by over £40 a week.

Poverty is not just about incomes. We must also help build safer, better communities. This report sets out how sustained investment in our public services has enabled us to deliver lasting improvements in health and education, make a million homes decent, tackle crime, and invest in the environment and transport infrastructure.

A handwritten signature in black ink that reads "Alan Johnson". The signature is written in a cursive style with a long horizontal stroke extending from the top of the "J" across the "n" and "s".

Rt Hon ALAN JOHNSON MP
Secretary of State for Work and Pensions
September 2004

We recognise that there is always more that we must do to tackle poverty and social exclusion, and this report also sets out the challenges we face in the future and the steps we will take to reduce poverty even further. Our investment and reform of public services will continue so that we meet the needs of the most disadvantaged individuals, areas and groups.

The report sets out the 58 indicators against which we will continue to be judged. We are making good progress. Through *Opportunity for all* we will continue to monitor and benchmark our steps towards our historic goal of a fairer, more inclusive society where nobody is held back by disadvantage or lack of opportunity.