

# 9. Getting to 2010 and beyond

Despite the progress already made to date, reaching the 2010 child poverty target will be a difficult task. As this report and other research has shown, it would require a substantial rise in parental employment, a significant increase in tax credit/benefit income for families or, most likely, some combination of the two.

Meeting the 2020 target – or at least reducing child poverty to a level that is among the best in Europe – will entail even greater effort to address the key drivers of child poverty: to break the link between disadvantage in early childhood and poor life chances; to transform the labour market skills of today's and tomorrow's parents; to tackle inherent discrimination and disadvantage in society; and to achieve a fairer distribution of income, wealth and opportunities than current generations have witnessed.

This is no small challenge, and it will need nothing short of a pan-government effort. While the Department for Work and Pensions will play a significant role, by supporting parents into work, it can only deliver part of the solution.

Nevertheless, the steps that the Department takes in coming years will greatly influence the Government's ability to reduce child poverty. The Department could direct its efforts at helping those closest to the poverty line to move into employment in order to help reach the 2010 target in the quickest and most cost-effective way, but there are clear drawbacks to this approach. Diverting attention and resources away from the task of building a system that will ultimately be more effective in helping any parent to move into, and remain in, work would undermine the chances of significantly reducing child poverty in the medium and longer term. What's more, while it may seem superficially attractive to help those closest to the poverty line, such families are most likely to have someone already in work and the Department has little experience of supporting such families.

For these reasons, it would be better to direct efforts towards a long-term strategy that invests in developing a welfare to work system that is more attuned to the needs of all parents, more flexible in the kind of support it offers and able to support parents to progress, as well as enter, work. Such a system would offer families the best chance of an effective and sustainable route out of poverty.

In the short term, as the Joseph Rowntree Foundation has also suggested,<sup>73</sup> faster progress on reducing child poverty is likely to be achieved through increasing benefit/tax credit transfers (see Table 6). For example, nearly one-quarter of the children that need to be lifted out of poverty by 2010 could escape poverty if Child Benefit payments for second and subsequent children were increased to the level for the first child. But, over time, the Government will want to ensure that parental employment plays a bigger role in tackling child poverty, as this offers families the most effective and sustainable route out of poverty. By developing a welfare to work system that is better able to meet the needs of today's families, the Department for Work and Pensions could play a critical role in the Government's wider efforts to eradicate child poverty once and for all.

Table 6: Potential impact of reforms on child poverty

Could have an impact before 2010	More likely to have an impact after 2010
Benefit/tax credit levels	Child support reforms
Childcare	Employment Retention and Advancement Programme
Flexible working	Measures to support the in-work poor
New Deal Plus for Lone Parents	Measures to improve skill levels
Additional support for parents in London	Work-Related Activity Premium
Pathways to Work and greater flexibility in access to condition management	Housing Benefit reform
Wider access to parents via Children's Centres	
Steps to reduce the ethnic minority employment gap	

<sup>73</sup> Hirsch D, 2006, *What would it take to end child poverty? Firing on all cylinders*, Joseph Rowntree Foundation.

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