

Social Policy in a Cold Climate

Ruth Lupton

1 July 2013

Social Policy in A Cold Climate

The impact of **economic and political changes**
on **poverty and inequality** in the UK
between **2007 and 2014**

Phase 1 (now!)

- **Labour's social policy** (from 1997 and through the crash)
- **Changes in economic inequalities 2007-2010**

Phase 2 (January 2015)

- The **Coalition's** social policy
- Further changes in **economic inequalities**

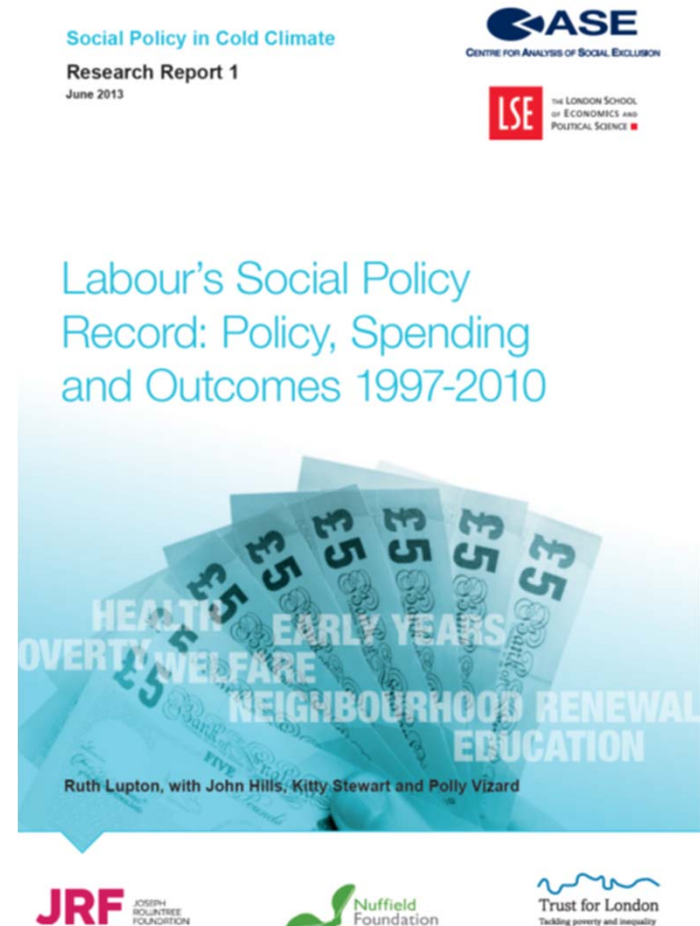
What we're launching today

- A Report on **Labour's Social Policy Record: Policy, Spending and Outcomes 1997-2010**

with five underlying working papers:

- **Health**
- **Education**
- **Under 5s**
- **Cash Transfers, Poverty, Inequality and the Lifecycle**
- **Neighbourhood Renewal in England**

All have short summaries (web-readable too)



Also.....

A simple infographic



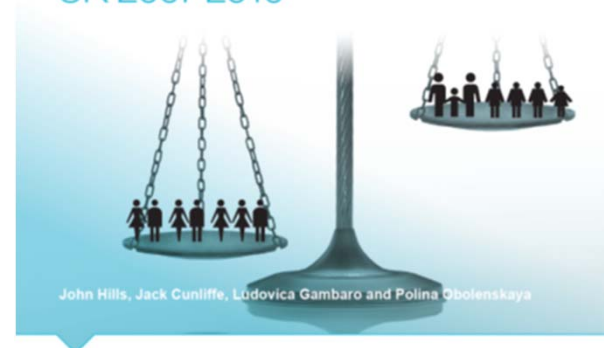
What we're launching today

- A Report on **Winners and Losers in the Crisis: The Changing Anatomy of Economic Inequality in the UK 2007-2010**

Social Policy in Cold Climate
Research Report 2
June 2013



Winners and Losers in the
Crisis: The Changing Anatomy
of Economic Inequality in the
UK 2007-2010



John Hills, Jack Cunliffe, Ludovica Gambero and Polina Obolenskaya



What we're launching today

- A Report on Prosperity, Poverty and Inequality in **London** 2000/01-2010/11

Social Policy in Cold Climate

Research Report 3

June 2013



Prosperity, Poverty and
Inequality in London
2000/01-2010/11



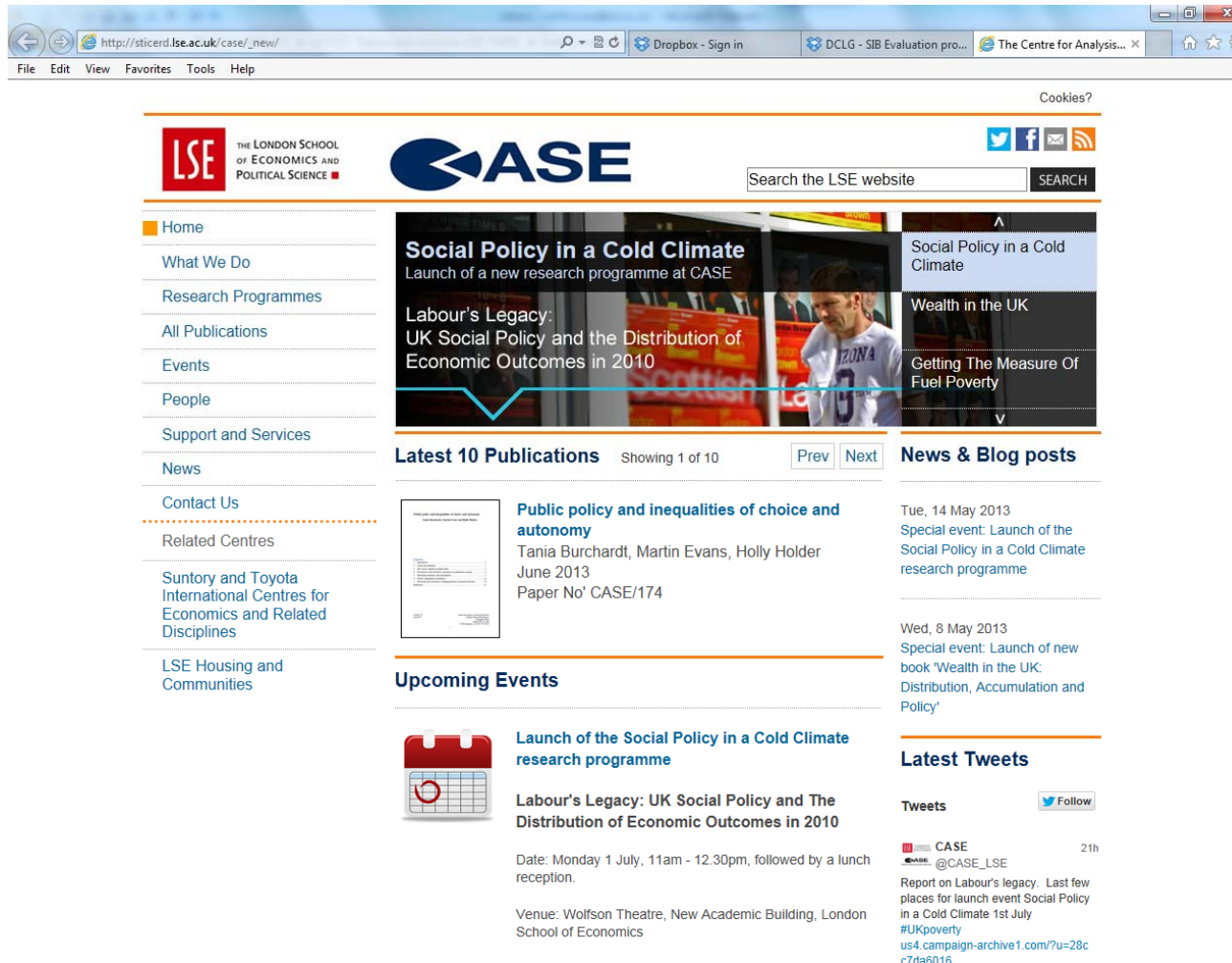
Ruth Lupton, Polly Vizard, Amanda Fitzgerald, Alex Fenton,
Ludovica Gambaro and Jack Cunliffe



Also.....

- The new-look CASE website

<http://sticerd.lse.ac.uk/case/>



The screenshot shows the homepage of the CASE website. At the top, there is a navigation bar with the LSE logo, the CASE logo, and a search bar. Below the navigation bar, there is a main content area with several sections. On the left, there is a sidebar with a menu of links. The main content area features a large banner for 'Social Policy in a Cold Climate' and 'Labour's Legacy: UK Social Policy and the Distribution of Economic Outcomes in 2010'. Below the banner, there are sections for 'Latest 10 Publications', 'Upcoming Events', and 'News & Blog posts'. The 'Latest 10 Publications' section highlights a paper titled 'Public policy and inequalities of choice and autonomy' by Tania Burchardt, Martin Evans, and Holly Holder. The 'Upcoming Events' section features a calendar icon and details for the 'Launch of the Social Policy in a Cold Climate research programme' on Monday 1 July. The 'News & Blog posts' section includes two posts: one from Tuesday, 14 May 2013, about the launch of the research programme, and another from Wednesday, 8 May 2013, about the launch of a new book 'Wealth in the UK: Distribution, Accumulation and Policy'. At the bottom right, there is a 'Latest Tweets' section with a 'Follow' button and a tweet from CASE (@CASE_LSE) reporting on the launch event.

Home

What We Do

Research Programmes

All Publications

Events

People

Support and Services

News

Contact Us

Related Centres

Suntary and Toyota International Centres for Economics and Related Disciplines

LSE Housing and Communities

Social Policy in a Cold Climate
Launch of a new research programme at CASE

Labour's Legacy: UK Social Policy and the Distribution of Economic Outcomes in 2010

Public policy and inequalities of choice and autonomy
Tania Burchardt, Martin Evans, Holly Holder
June 2013
Paper No' CASE/174

Launch of the Social Policy in a Cold Climate research programme

Labour's Legacy: UK Social Policy and The Distribution of Economic Outcomes in 2010

Date: Monday 1 July, 11am - 12.30pm, followed by a lunch reception.

Venue: Wolfson Theatre, New Academic Building, London School of Economics

News & Blog posts

Tue, 14 May 2013
Special event: Launch of the Social Policy in a Cold Climate research programme

Wed, 8 May 2013
Special event: Launch of new book 'Wealth in the UK: Distribution, Accumulation and Policy'

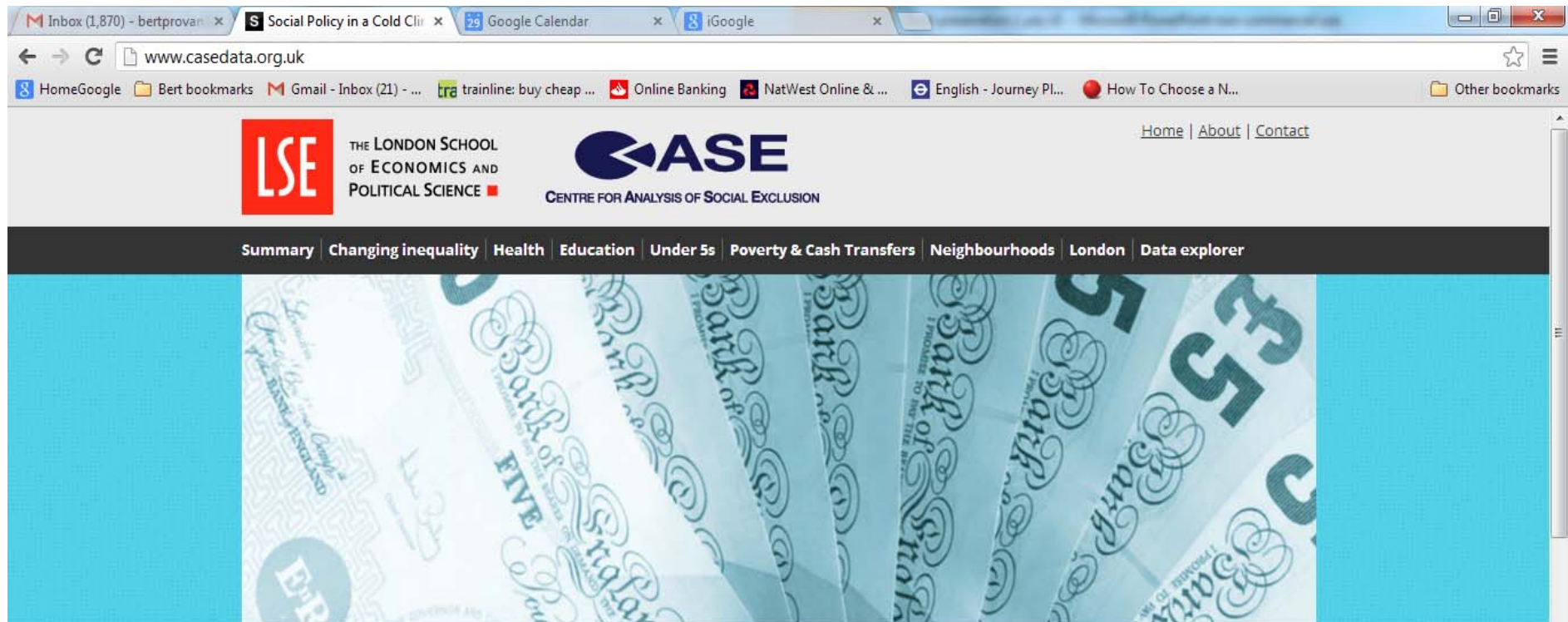
Latest Tweets

Tweets [Follow](#)

CASE @CASE_LSE
Report on Labour's legacy. Last few places for launch event Social Policy in a Cold Climate 1st July #UKpoverty us4.campaign-archive1.com/?u=28c77da6d16

Also.....

- A data store www.casedata.org.uk



Social Policy in a Cold Climate (SPCC) Data explorer

Social Policy in a Cold Climate is a large programme of independent research designed to document the combined impact of economic and political changes on poverty, inequality and income distribution in the UK between 2007 and 2014, covering the periods of both Labour and Coalition governments. It is funded by the Joseph Rowntree Foundation, Nuffield Foundation and Trust for London and carried out by a team of researchers based mainly at the Centre for Analysis of Social Exclusion at LSE.

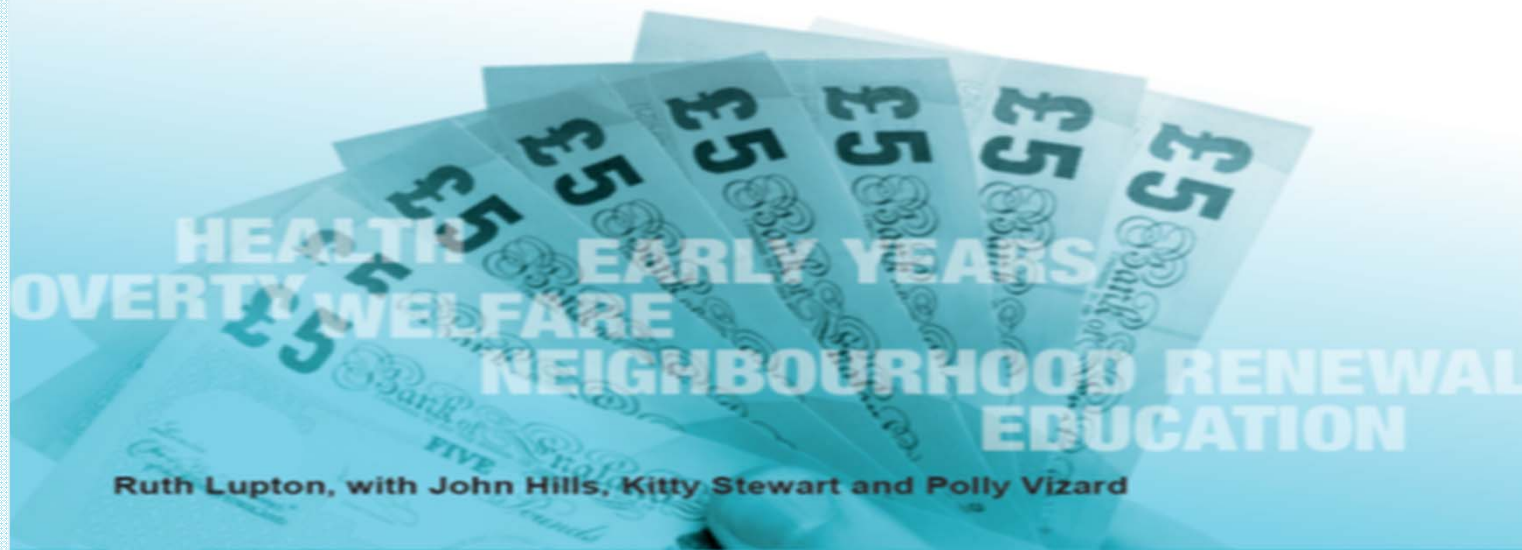
Social Policy in Cold Climate

Research Report 1

June 2013



Labour's Social Policy Record: Policy, Spending and Outcomes 1997-2010



Ruth Lupton, with John Hills, Kitty Stewart and Polly Vizard



Why bother with 1997-2010?

- **Current** fiscal and economic climate presents huge challenges for social policy
- **We don't need:**
 - “all public spending doesn't work” OR
 - “all cuts are a disaster”
- **We do need a well-evidence debate:**
 - What level of services and outcomes should we aim for?
 - What do they cost?
 - What policies work?
- **Informed by:**
 - Past UK policy experience
 - International comparison
 - Knowledge of existing trends

We take a systematic approach: Same for Labour and Coalition

- Aims
- Policies
- Spending
- Inputs and outputs
- Social and economic outcomes – with a specific focus on poverty, inequality and distribution

A detailed reference resource.

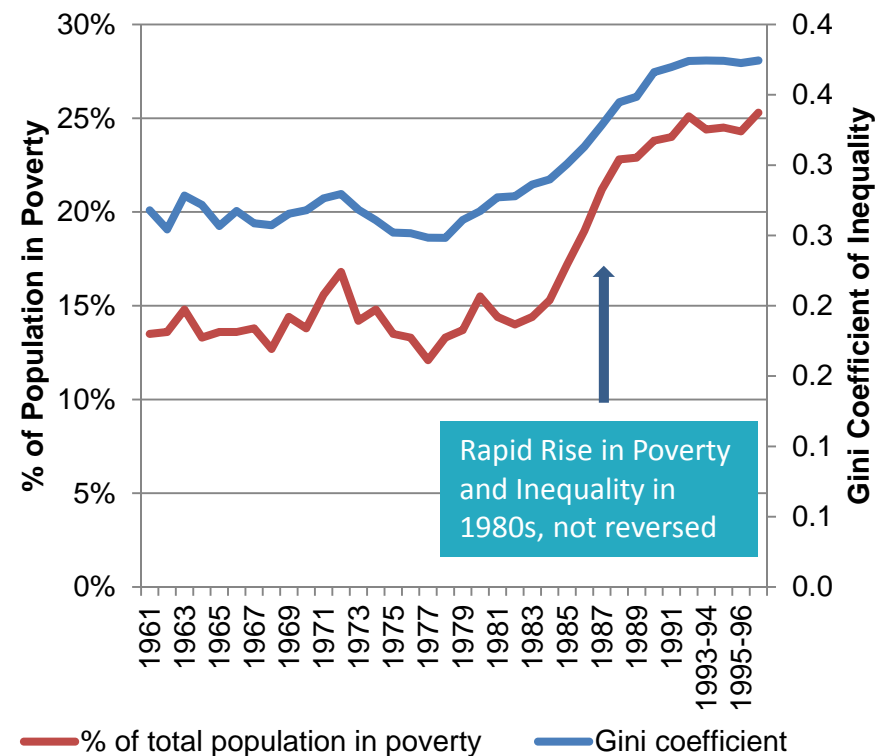
But just highlighting some key overview findings today

The UK in 1997: A low spender and a low achiever, but a favourable climate

Rank of EU 15 (Spending) 1997	
Education	10
Social Security	15
Health	13
Family Policy	8
All Spending	14

Source: OECD

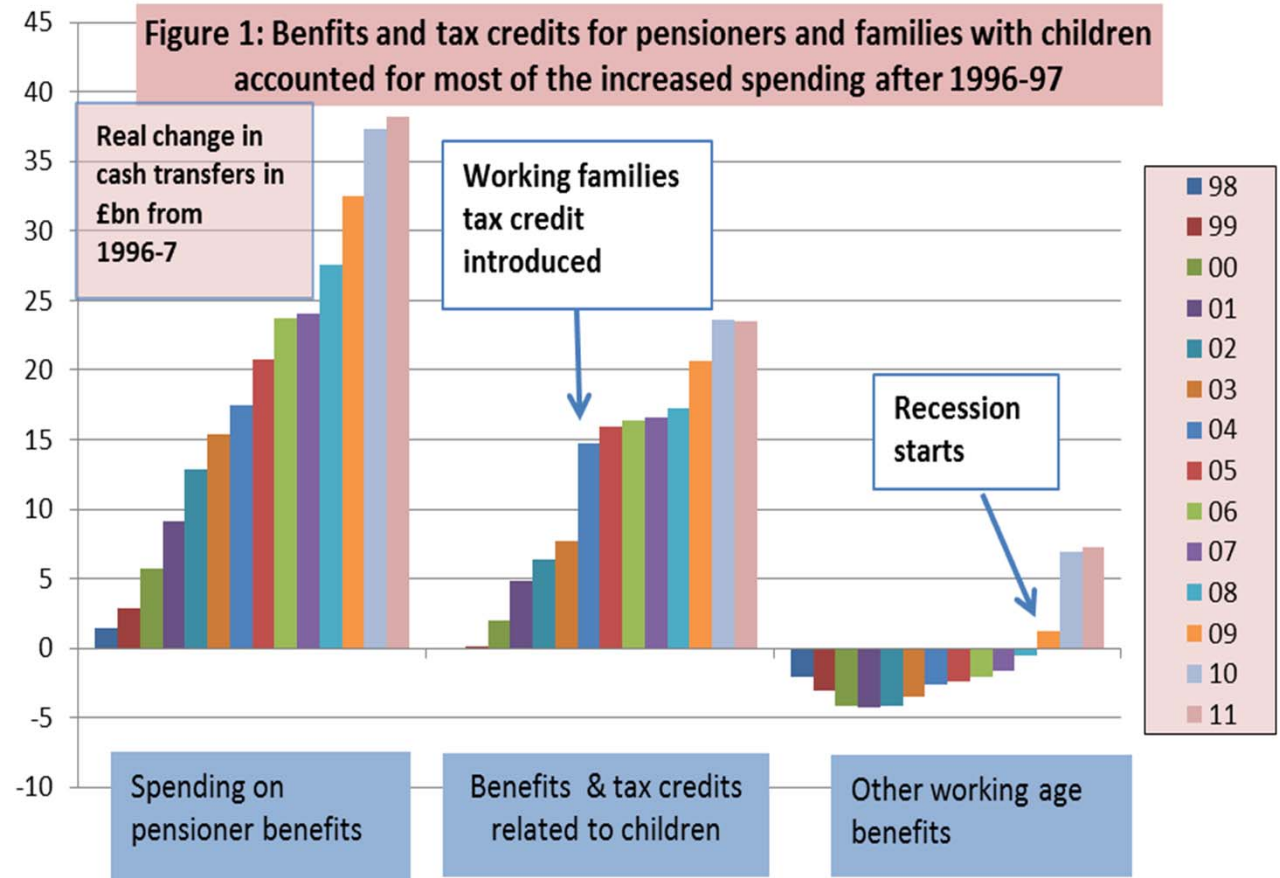
High Poverty, High Inequality



BUT: 65 per cent of voters in 1997 wanted higher tax and higher spend
AND: the economy grew for ten consecutive years

Big increase in Spending Went on Health, Education, Children, Pensioners

- Public spending up 60 per cent
- As proportion of all spending:
 - Health up
 - Education up
 - Social security down



Capacity of services increased, and many more targeted services

Health:

- NHS buildings programme
- Extra doctors and nurses
- Big increase in drugs, clinical supplies
- Reduced waiting times
- Overall volume of health 'inputs' up 86 percentage points
- Satisfaction with NHS up from 36 to 71 per cent

Education:

- 48,000 more teachers
- 133,000 more teaching assistants
- Big reductions in pupil:teacher ratios
- A fifth of secondary schools refurbished, big ICT expansion
- Extended schools
- Excellence in Cities, City Challenge

Early Years:

- Free early education for all 3 and 4 year olds
- 3500 Sure Start children's centres
- Trebling full-day places in centre-based childcare
- A new Early Years curriculum and professional training

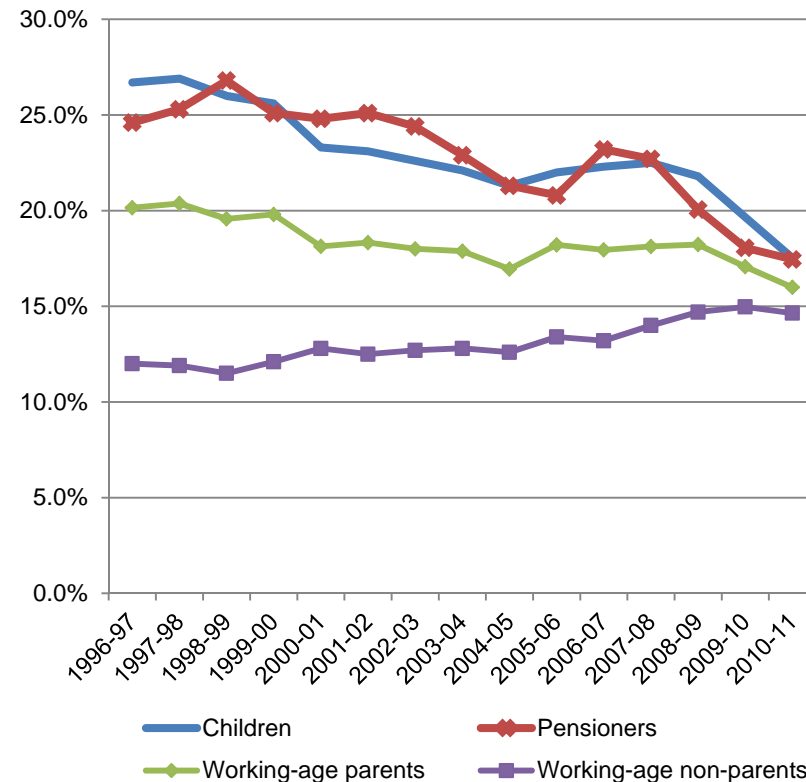
Neighbourhood Renewal:

- A new national strategy
- Neighbourhood management, policing
- New nurseries, play areas, schools, health centres
- 90 per cent of social homes to decent standard

On many things Labour targeted, outcomes improved

	"Opportunity for All" Indicators	
	Trend from 1997/8 to 2010	Trend since last measured (2005-7)
Improving	48	25
Steady	4	9
Mixed	1	4
Deteriorating	6	12
Not available		9
TOTAL	59	59

Poverty down for children and pensioners, smoothing over life cycle



What got better?

- **Health:** death rates from heart disease, stroke, cancer; infant mortality (+ gap)
- **Education:** socio-economic gap in test scores closed on all indicators
- **Early years:** more maternal employment, less low birthweight and infant mortality, better development at age 5 – and smaller gaps in all these
- **Poorest neighbourhoods:** less crime, litter, vandalism, more work, smaller gaps on all these

With some evidence of policy and spending effects, for example....

- Tax/benefit changes **better for pensioners/families than previous system**
- Research evidence shows **positive impact of spending on school results** and on use of early years centres
- **Two-thirds of increase in lone parent employment rates** due to policies
- **70,000 fewer workless people** in deprived neighbourhoods than without National Strategy
- **Increase in progress** in some indicators (eg education gaps) after 2008

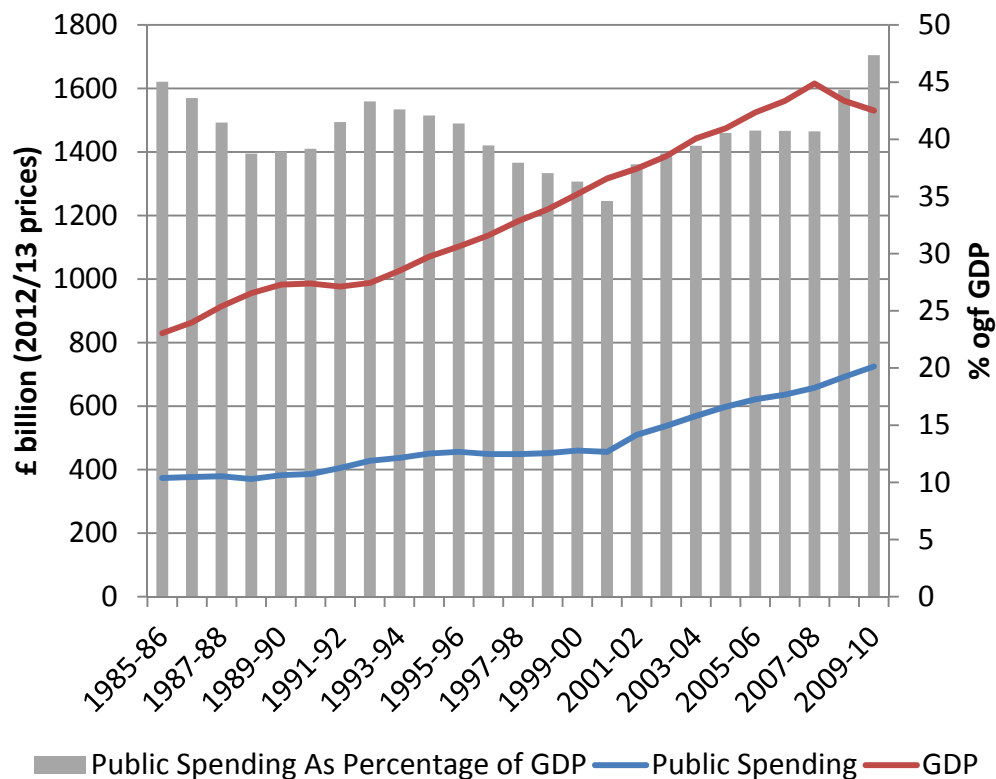
Although clearly not all a policy effect, and not all policies a clear success

- **Many things getting better anyway** (e.g primary school achievement)
- **Effects of economic growth and wider social change:** e.g. urban economies, fall in smoking
- **Specific policies:**
 - Teaching assistants detrimental?
 - Funding existing early education places not best use of money?
 - PFI too expensive, too risky?

UK caught up, but still a mid- low spender. Before the crash, unexceptional spending

	Rank of EU 15 (Spending)	
	1997	2009
Education	10	10
Social Security	15	14
Health	13	8
Family Policy	8	3
All Spending	14	6

Source: OECD



UK Current Budget Deficit as % of GDP:

1996/7: 2.2 per cent

2007/8: 0.5 per cent

2009/10: 7 per cent

Myths and Realities

- Myth: Labour spent a lot and delivered nothing.
 - Reality: Labour spent a lot and delivered a lot
- Myth: Spending on public services caused the deficit crisis
 - Reality: Despite major increases in spending up to 2007/8, the public finances had slightly improved
- Myth: No impact was made on poverty and inequality
 - Reality: Child and pensioner poverty declined, poverty risks smoothed across the life cycle, many socio-economic gaps narrowing

BUT much of Labour's ambitious vision not achieved

- **Large gaps remained** on all indicators
- **Some outcomes hardly shifted:**
 - Access to HE
 - Gaps on higher grade GCSEs including English and maths
- **Some got worse**
 - Poverty for working age people without children
 - Life expectancy gaps between areas
 - Proportion of 16-18 yr-olds NEET
- **Labour didn't meet some of its own targets:**
 - Child poverty not halved.
 - People still seriously disadvantaged where they live?

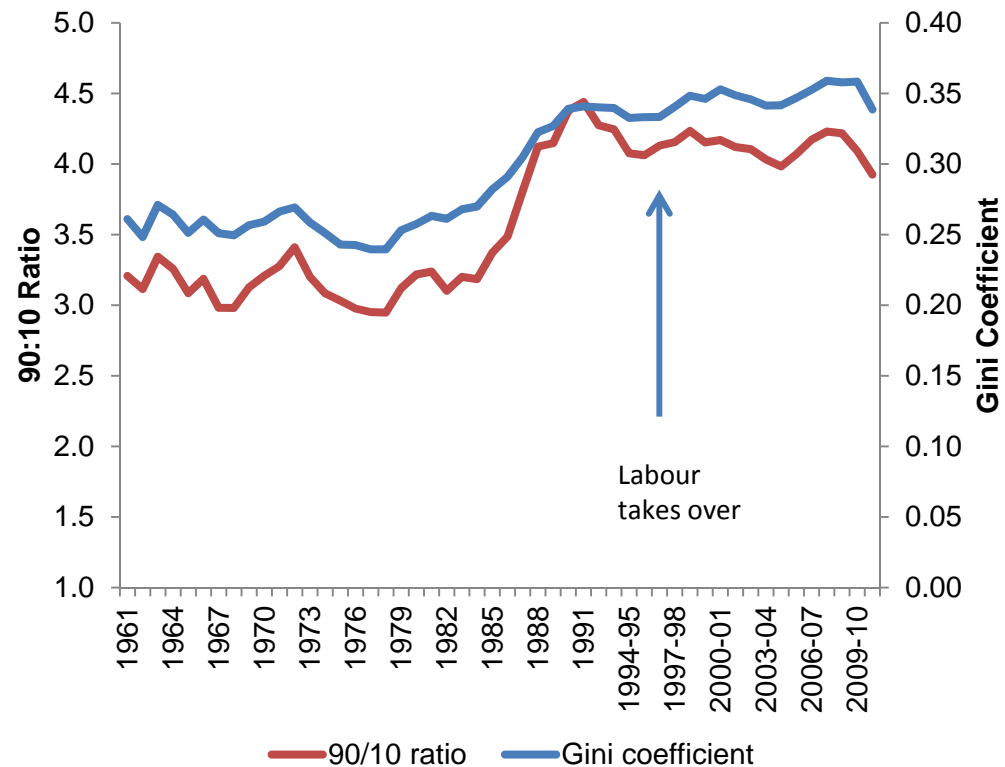
No march to the top of the international league tables

- Better on child poverty (but still 7th of 14)
- Still very high on income inequality
- Down the league table for female life expectancy and still mid-low on many health outcomes
- Education: no conclusive evidence

No real shift in income inequality, and some labour market inequalities got worse

- **wage inequality increased** at the top
- **housing got less affordable** for low income households
- Some indications of rise in **material deprivation** from mid 2000s

No real change in income inequality



**And the Coalition faced a much colder
climate for social policy-making**

So some questions

- Does this show the **limits of social policy**? Do we expect too much?
- Given 'catching up' and 'modernising', can we now do **more with less**?
- How much central direction is needed to maintain a **focus** on persistent poverty and inequality?

Start the discussion

- Visit the CASE website:
<http://sticerd.lse.ac.uk/case/>
- Twitter #laboursrecord
- Email us at: ruth.lupton@manchester.ac.uk