

Report from the Independent Commission on Social Mobility Summary Document

January 2009



Independent Commission on Social Mobility Summary Report

Introduction

This Commission was set up amidst concerns that social mobility in Britain has declined and that the extent of mobility is low relative to other developed countries. In calling for evidence, we learned that we were entering a field of lively debate: academics and other economic and social commentators have different views as to whether or not social mobility has decreased over the past twenty years.

Such debates are clearly of interest and we summarise some of the key arguments later in our introductory chapter. However, our analysis of the evidence we have received has led us to conclude that, for the purposes of future government policy, it is **equality of opportunity** rather than social mobility itself that should be the prime consideration. Equality of opportunity will improve as we positively affect the drivers of social mobility.

Social mobility and inequality

Britain is a society of persistent inequality. The life-chances of children in Britain today remain heavily dependent on the circumstances of their birth. As we set out in the themed chapters of this report, children born to poorer families have less favourable outcomes across every sphere of life. Inequality creates barriers to upward mobility. These barriers impede progress at all stages: from before birth into the early years, through primary and secondary school and into the adult labour market. They are revealed in the measurable gaps in educational attainment, in differential employment opportunities and in health inequalities.

The present Government came into office with a commitment to tackle this social exclusion and it needs to be acknowledged that many of the policies implemented since

1998 have contributed to positive change and the long-term return on others, such as Sure Start have yet to be realised. However, ten years on there is still much more to be done. A recent analysis by the Joseph Rowntree Foundation, considers the Government's record across a range of indicators of social exclusion. What stands out is that, after an initial period of success, improvement in many areas has slowed down or remained unchanged. Up to about 2002 the picture was positive with over half (30) of the 56 indicators showing an improvement and only a few worsening. In contrast, over the past five years, only 14 indicators have improved while 15 worsened (leaving 27 steady). As the authors point out, this is a fragile position to be in when entering a recession.

As we face the challenge of the present economic downturn, there are those who argue that we cannot afford more investment to give disadvantaged children more equal life-chances. This Commission argues that we can't afford not to. The inequality of opportunity faced by disadvantaged children and young people represents an incalculable waste, not only for the individuals denied a chance to do well in life, but for the country as a whole. In a context of increasingly global competition, Britain cannot afford to waste the talents of substantial numbers of its young citizens whose aspirations fail to be realised, not through lack of ability but through lack of opportunity.

Six critical policy areas

In this report, we set out our recommendations for improving the opportunities of disadvantaged children and young people across six key areas: child poverty, early years, education, employment, health and communities.

We believe that if implemented our recommendations would make a significant difference to the life-chances of millions of young people and bring us several steps closer to the equality of opportunity needed to make Britain a truly socially mobile society.

Child Poverty

The children and young people most likely to experience inequalities have one core thing in common: poverty. The impact of growing up in poverty is well documented: it not only affects the quality of childhood but is a key determinant of outcomes in adulthood. Any strategy to improve social mobility must address the challenge of child poverty. Of course, tackling child poverty involves more than just raising family incomes: it also needs action to address the factors underpinning poverty and the consequences of living in poverty which affect well-being. However, a reasonable income level is essential for a decent quality of life and is a basic prerequisite of social mobility.

Low income affects every aspect of children's lives: health, housing, education and family life. Low income puts children's standard of living well below what most people would deem an acceptable level for a country as wealthy as the UK.

In 1999, the incoming Labour Government made a bold commitment to halve child poverty (from its 1998 level) by 2010 and eradicate it by 2020. Over the next few years, important progress was made. Between 1998/9 and 2004/5, the number of children living in relative poverty fell almost every year, and by 2006, 600,000 had been lifted out of poverty: a 17% fall from 3.5 million to 2.9 million children. The UK achieved the second largest fall in child poverty among developed countries in the previous decade. The Government is entitled to be proud of that achievement.

However, income inequality remains greater in the UK than in three-quarters of developed countries, and in the last few years it has

become apparent that the downward trend in child poverty has slowed, and gone into reverse. In each of the last two years, child poverty has risen by 100,000. Even allowing for investment announced in the 2008 Budget, which should move up to 250,000 more children out of poverty, the momentum has slowed to a stop. It is clear that the Government's ambition to halve child poverty by 2010 is unlikely to be met without significant further investment targeted at low-income families.

The halving of child poverty by 2010 and its elimination by 2020 was always an ambitious target. In the current economic climate it becomes doubly challenging. At the same time, the economic downturn makes child poverty an even more critical policy area. When times are hard the poorest tend to suffer the most and there is a moral imperative to ensure that poor children suffer as little as possible. But there is also an economic imperative to keep child poverty on the political agenda: because ensuring that the next generation is supported to be economically active and productive will save vast sums which will otherwise have to be spent on health, criminal justice and other public services as well as securing significant additional tax revenues.

Early Years

The fact that children born into poverty and disadvantage do not get a good start is now widely acknowledged. The social mobility of individuals is profoundly affected by their early childhood experiences. Nurturing and stable relationships with caring, responsive adults are essential to healthy development from birth. Early, secure attachments contribute to the growth of a broad range of competencies, including the self-esteem, self-efficacy, and positive social skills that are associated with better educational, social and labour market outcomes in later life. The importance of early years to social mobility, therefore, cannot be overstated. We need to get things right for children at the start of life. Later interventions, however important, cannot undo early disadvantage.

The Government can take credit for the development of important initiatives such as early years free entitlement, Sure Start and the Early Years Foundation Stage. There has also been significant public investment in providing support to parents including specific support to improve parenting skills. However, more still needs to be done, and if there is a serious political will to increase the upward social mobility of those born into disadvantaged circumstances, a significant and sustained investment in early years is vital.

Education

There is compelling evidence that early years investment contributes to success in education, which in turn, leads to improved life-chances. However, social class remains a key determinant of educational outcomes. Children from more advantaged backgrounds do better, and there is evidence to suggest that policies over recent decades have – however unintentionally - disproportionately benefited the middle classes.

Social class accounts for a large proportion of the gap in educational attainment between higher and lower achievers – a gap evident from early childhood and tending to widen as children get older. In 2007, only 35% of the poorest pupils obtained 5 or more A* to C GCSEs compared with 63% of their better-off peers.

More children from poorer families are staying on at school after 16. However, between 1981 and the late 1990's the proportion of poorer children getting degrees rose by just 3%, compared to a rise of 26% amongst the children from the wealthiest backgrounds. Attitudes and opportunities are an important part of the picture: research shows that high achieving young people from lower social classes are still significantly less likely to apply to the most prestigious universities.

There is a direct relationship between doing well in education and doing well in the labour market. Therefore, improving educational

outcomes for disadvantaged children has to be central to any policy strategy to increase their upward social mobility.

Employment

The long-standing inequalities of access to labour market opportunities in the UK mean that any strategy to promote the upward social mobility of disadvantaged adults and young people needs to equip them with the qualifications, skills and opportunities to gain, keep and progress in employment.

The most disadvantaged are clearly those without work. A major strand of Government policy over the past decade has been to increase employment levels, particularly among parents. However, despite some progress, the number of workless households remains stubbornly high, particularly in some areas, and too many people remain trapped in a cycle of low waged work and unemployment.

Getting people into employment will not boost social mobility unless that employment is sustained. Employment needs to provide not only adequate pay and rewards, but also a positive work experience and opportunities for progression. As individuals, workers require employability skills and support, not only to obtain work, but also to maintain and progress in it.

Whilst the economic downturn creates a challenging environment in which to address some of the weaknesses of the UK labour market, the current crisis also provides an opportunity to make a fundamental reassessment of how our economy and labour market function. Government policy needs to encourage a move towards 'high road' economic development, re-orientating the labour market towards high-value, high-skill, well-paid work and improving productivity and economic performance. This strategy is the one most likely to provide the best route out of economic difficulties and optimise the UK's competitive position in a global economy.

Health

Who ends up with good or bad health is not just a matter of luck. There is a relationship between health and wealth pertinent to social mobility: those who suffer poor health as children or as adults are less likely to be upwardly mobile; those who start life in a low social class are more likely to experience poor health. Despite the huge medical and public health advances of the past fifty years, health inequalities persist between those at the bottom and the top of the social stratum. These inequalities begin before birth and continue throughout the life course. A child from the lowest social class is more likely to: be born too early, be born small; have a mother who smokes and grow up to be a smoker him/herself; die or be injured in a childhood accident; become a young parent; suffer chronic illness in adulthood, and, eventually, to die several years earlier than his/her better off peers. The gulf in healthy life expectancy across the UK is deeply shocking and cannot be tolerated.

Reducing health inequalities has been a priority of this Labour Government, but although overall health outcomes continue steadily to improve, health inequalities between the most and least advantaged persist, and in some respects have worsened.

Poor health impacts on educational attainment, employment and income, thereby further decreasing the likelihood of a child born into poverty attaining upward mobility. A strategy to promote greater social mobility, therefore, has to include steps to reduce health inequalities across the life course, but particularly in childhood.

Communities

More advantaged families tend to bring up their children in more advantaged areas: poorer families frequently have little choice but to live in more deprived areas. To what extent living in a poor neighbourhood affects children's longer-term life-chances independent of other key factors such as family and income levels is difficult to

assess. However, there is clear evidence that living in social housing as a child increases the risk of multiple disadvantage in adulthood, and there can be little doubt that living in a deprived community affects the quality of life for children and their parents. Improving the circumstances of deprived neighbourhoods remains an important policy objective. Traditionally policies have tended to be developed and implemented in separate domains. Some Government departments have focused on area-based regeneration and others on policies aimed at the individual through, for example, welfare to work programmes. This policy split does not reflect the reality for people living in deprived communities and the fragmentation of policy objectives are key barriers to their effective delivery.

The challenge is to develop a coherent policy agenda to bring together initiatives focused on 'place' and 'people'.

The need for a holistic policy approach

Each of the above policy areas is critical. However, they are also interconnected. Children and young people are individuals, but they are also part of families and communities. So, whilst it is absolutely vital to promote the upward mobility of individual children and young people through education and employment opportunities, policy changes in these areas alone will not be enough. The term 'holistic' may be in danger of becoming diminished through overuse, but we need to develop a genuinely holistic approach to policy which takes account of all the drivers and barriers to opportunity, not just those that occur at school and work.

A holistic policy approach would address opportunities for individuals at different life-stages. We particularly emphasise the importance of prioritising continued investment in early years, but we must also ensure that children and young people get sustained support throughout the various stages of education and into training and employment. Even in adulthood, given the

right opportunities and support, individuals can develop their potential and overcome earlier disadvantages. We therefore argue that any future government needs to recognise the particular importance of early childhood, whilst ensuring that policy continues to support the development of older children and adults.

Children and young people grow up in families. Policy tends to reflect this when children are young with an appropriate focus on childcare and parenting support. However, once in school, the focus tends to shift to the individual, yet all the evidence points to the continued importance of family factors throughout education and beyond. We therefore make a number of recommendations aimed at supporting families, recognising the impact of the child's family on their social mobility.

Families live in communities and are affected by a range of community and environmental factors, which in turn impact on life-chances. We therefore argue that to improve opportunities for disadvantaged children and young people, it is necessary to take account of these broader factors.

Main Recommendations

We recognise that there are very real issues of affordability to prevent any government from implementing all the recommendations listed at the beginning of each chapter of this report. However, we believe that the following are particularly vital. Any government committed to reducing social inequality and increasing the future opportunities of the most disadvantaged children of this generation cannot ignore these.

Tackling child poverty

Families are crucial to developing the potential of children and young people. In doing so, disadvantaged families face numerous barriers, one of the biggest of which is poverty. We therefore make no apology for starting with a series of recommendations to address low income. We believe the government should:

- 1. Establish a minimum income standard** to ensure that the incomes that people rely on – out-of-work benefits, child-related benefits, disability-related support, tax credits and the minimum wage - are sufficient to meet families' needs and that life events such as unemployment, having a child or other livelihood changes do not plunge people into poverty;
- 2. Reform child tax credit** so that it is only paid to those families on the lowest income and ensure that increases in Child Tax Credit are targeted on those families most in need. This would make available £1.35 billion;
- 3. Abolish the rescue package following the abolition of the 10p tax rate.** The rescue package has had virtually no impact on child poverty and its abolition would release £2.7 billion;

- 4. Implement a Poverty Premium Index** to track changes in the prices of essential goods and services. Ensure that essential gas and electricity supplies are affordable for all customers;
- 5. Increase the availability of affordable credit**, as well as grants and interest-free loans for essential items, for low-income households as an alternative to companies which loan to the poorest but at prohibitive interest rates. These alternatives could be developed with the assistance of the banks and the credit union movement;
- 6. Ensure access to free help on budgeting** for low-income families, as well as free, good quality, independent financial advice on savings, credit and debt.

Prioritising the early years

The early years are critical to later development. This means that as well as ensuring that every family has sufficient income to bring up their children with an acceptable quality of life, parents also need specific support to fulfill their parenting role. Good quality childcare is a fundamental component of this. We therefore believe the government should:

- 7. Develop cross-cutting strategies to reduce the incidence of low birth weight**, including national research funding to improve our understanding of risk factors and effective approaches to prevention;
- 8. Increase paid parental leave beyond the twelve months** to be transferable between parents to enable greater flexibility of employment and care options in the first two years of a child's life;

9. **Extend to all areas the programme of intensive home visiting** (currently being piloted as the Family Nurse Partnership initiative), so that parents assessed as likely to benefit, receive this as an addition to the core service provided by midwives and health visitors;
10. **Ensure that programmes of parenting education are available**, particularly to those families with children assessed as at risk of conduct disorder, providing parents with high quality, consistently delivered support;
11. **Extend the free childcare offer to two year olds**, giving priority to children from low-income families; and increase the offer to three and four year olds to thirty hours a week for low-income families;
12. **Increase the maximum subsidy of childcare costs from 80% to 100%** for low-income families and, recognising that some families move in and out of employment, ensure that there is continuity of eligibility;
13. **Increase the take up of childcare** by those families who can most benefit by supporting the development of outreach work.
15. **Targeting resources towards schools with the highest proportions of disadvantaged children**, involving a review of the current funding formula to provide local authorities with greater flexibility to re-focus and target resources to schools;
16. **Providing greater individualised support** to disadvantaged pupils via pupil/teacher ratios and proper teaching support in the most challenging schools;
17. **Ensuring that schools are assessed according to their performance against a range of outcomes** for children and young people, not just against a narrow testing regime;
18. **Providing greater incentives to teachers** to take up posts and remain in the challenging schools;
19. **Emphasising the importance of a system-wide awareness of the impact of disadvantage and inequalities** on educational outcomes. This should include training and ongoing development for teachers and heads;
20. **National funding of reading recovery programmes** to ensure that by age 11, all children enter secondary school with effective literacy skills;
21. **The implementation of direct admissions policies**, including greater use of admissions ballots for over-subscribed schools, to improve equality of access to the best State schools and to reduce segregation;
22. **Expansion of vocational and work-based learning pathways for young people aged 14-19** whose potential is not unlocked by the academic curriculum and traditional classroom learning;
23. **Targeting information and support** to young people from less

Getting the best out of education

Several of our recommendations focus on education. Whilst education alone cannot improve social mobility, it is a key factor in both promoting, and when we get it wrong, actually impeding upward mobility for the most disadvantaged and we need to ensure that policies act to support individual development at all stages. We therefore recommend:

14. **A sustained investment in early years** to include a stronger emphasis on pre-school programme models that have been shown to be effective;

advantaged backgrounds to assist their progress to higher education and help them make the choices that are most likely to enhance their life-chances.

Getting people into work – and keeping them in good work

Like education, employment is not the sole answer to increasing social mobility but it plays a vital role. We need to do more to support people into employment, addressing the barriers to work. We also need to support people in work, addressing the inequalities impeding the progress of many disadvantaged people in the workplace. We therefore recommend:

- 24. *High quality, sustained and tailored in-work support targeted*** at those thought likely to be at greatest risk of falling out of employment, and developing targets for training providers that reward the sustainability of jobs rather than simply securing employment;
- 25. *Prioritising the objectives of Jobcentre Plus*** to prevent the cycling of vulnerable groups in and out of work through better job matching and getting parents into jobs that are a sustainable route out of poverty;
- 26. *Addressing in-work poverty by effective enforcement of employment law*** to ensure that: the minimum wage and other working conditions are met; the status of part-time work is improved and the right to request flexible working is extended;
- 27. *Reducing the work hours requirement*** to encourage more parents to take up employment even if for only a few hours per week.