

Fairness and future generations

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One of the most shocking aspects of the new Coalition's first Budget was the sheer scale of the cuts affecting the young. Much has rightly been made of the impact of the budget on women, but children and young people were also amongst the big losers.

Among the announcements were an end to Child Trust Funds, the scrapping of plans to offer free school meals to half a million families on low incomes, and restrictions on Sure Start. Planned new schools under the Building Schools for the Future programme have been axed, fewer families will receive Child Tax Credits, and in the pipeline are changes to higher education that are widely expected to make it harder for many children who are now of school age to get to university. Despite the mooting of a graduate tax by business secretary Vince Cable, unions like the University and College Union (UCU) remain deeply sceptical about the government's plans.

Children are not the only losers; young people have also lost out in a very immediate way. With the demise of the Future Jobs Fund and Working Neighbourhoods Renewal Fund the guarantee of a lasting, paid job has disappeared for those young people who were expecting to start their apprenticeships as soon as this September. These are just a handful of examples of ways in which children and young people have already been hit hard.

The costs of unemployment

Political argument has so far focused on whether children and young people should have shouldered such a heavy burden of the cutbacks, yet very little debate has taken place about whether the cuts were necessary at all. The Coalition argues that the breathtaking scale of the cuts are necessary to get the nation's deficit under control, yet leading economists rightly point out that the only way out of a deficit this size is to invest (Blanchflower, 2009). As the economist Michael Burke sets out compellingly, the evidence from history is that fiscal policy is crucial in order to create economic growth (Burke, 2010). He argues convincingly that we ignore the lessons of the Great Depression at our peril.

In this context the Coalition's cuts, which directly impact a whole generation of young people, are extremely short-sighted. Cameron, Osborne, Clegg and Cable's measure of success is to reduce the deficit – seemingly at all costs. They are right to aim for deficit reduction as an ultimate goal; Labour's approach would have done just that. But these cuts will not meet that aim.

We have seen before what happens when, during a recession, young people are not given sufficient help to find work after finishing school, college or university. In the 1980s and 1990s, in my Wigan constituency and many more others like it, young people left education to find there were few jobs available to them. Unemployment, and consequently the welfare bill, skyrocketed (Chantrill, 2009) and the longer young people languished on benefits, the less likely they became to ever find work (Machin and Manning, 1998).

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New Labour inherited this mess in 1997 and made tackling youth unemployment one of its first priorities. It had some success in getting young people into education, work and training but also struggled with the legacy of child poverty, which was one of the after-effects of the disastrous and short-sighted lack of help in the 1980s and 1990s.

It is true that many of the households where children live in poverty have at least one parent that works, but there is also a child poverty legacy left by long term unemployment. The evidence in my own constituency is clear: many of the young people who left education in the 1980s and 1990s and were unable to find work have gone on to have their own children, who are now growing up in workless households. As the Prince's Trust highlighted this in a recent report, young people who grow up in workless households are much less likely to find work themselves (Prince's Trust, 2010).

This sort of entrenched, generational disadvantage is extremely difficult to reverse. It is a cost to the economy in the short term and a devastating blow to the economy in the long-term (Ritchie et al, 2005). The experience of the 1990s makes clear that this government is storing up trouble for the future. It has relied to a great extent on a definition of fairness that says 'future generations should not have to pay for the burden of current generations' but that is precisely what these decisions, taken as a package will do. They are unfair even on the Coalition's own terms.

Entrenching inequality

Any credible opposition must accept that the economy is a priority but the Coalition is wrong to largely ignore the immediate human cost of these decisions. The long-term impact of the children and young people's agenda that has been pursued since the election will be to create a more polarised society.

One of the failures of Blair's New Labour era, partially reversed under Gordon Brown, was the insistence that the gap between rich and poor did not matter as long as the poorest were taken care of. But an unequal society does matter, as several studies have recognised (Wilkinson and Pickett, 2009), and there is no better place to start for a government intent on creating a more equal society than in education and services for the young.

The Coalition's package for children demolishes any hope of a more equal society and entrenches privilege. By axing Child Trust Funds and seeking to cap university places, or create a two-tier system of universities through lifting the cap on tuition fees, they will ensure that poorer children struggle to get to university and those that do will have to opt for the cheaper option (Williams, 2010).

The Academies Act seeks to do something similar. It breaks up the local authority family, leaving schools to go it alone in competition with one another, creating winners and losers among children. Among those who will lose are children with special educational needs, whose support is paid for by the pooling of resources amongst schools. Whether you agreed with the previous government's Academy programme or not, it was very different to the current agenda, in that it sought to pump money into schools in the most deprived areas. This programme instead gives priority to allowing 'outstanding schools' to break away from the local authority. Outstanding schools are significantly less likely to take children on free school meals (The Sutton Trust, 2005), ensuring that the children who will be the chief recipients of additional state funding are those who least need the help.

Restricting access to Sure Start is another piece of the jigsaw. The magic of Sure Start is that it brought together families across the income scale, and as a result it had the

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scope to be more effective, inclusive and aspirational than services reserved exclusively for the poor. The anticipated changes to higher education, the Academies Act, the decision on Child Trust Funds and Sure Start restrictions will make sure that children from more deprived and less deprived backgrounds will simply never meet – not at nursery, school or university. It will create the sort of polarised, divided and fractured society that I grew up in during the 1980s and one that I had hoped we would never return to again.

But if this is the critique – and it is a damning one – then what is the alternative?

The left's alternative

Firstly the left must accept that we got it wrong in two respects. By establishing Labour's (admittedly different) brand of Academies, and introducing tuition fees, we laid the ground for the Coalition to attack the principle of access to free and universal state education. In government we should have entrenched that principle with our flagship programmes, rather than weaken it. There has also been criticism that the incoming Labour Government in 1997 was too cautious; it did not pursue a radical agenda quickly enough and the failure to do this has enabled the Coalition to come in and dismantle a great deal of the progress made in thirteen years in just thirteen weeks.

Despite the constant appetite for change, the left's solution does not need to be, nor should it be, radical or new. A return to the core principles on which the Labour movement was founded would provide us with the offer that young people growing up in my Wigan constituency need today. We should embrace the ideals of comprehensive education and universal services where children from different backgrounds have the opportunity to meet and form friendships with one another.

Too often comprehensive education has been viewed as a compromise but that is to overlook the great benefits that only a comprehensive model provides: that all children are able to learn and shine while mixing with and knowing classmates who are different to them. Studies show that by the age of five poorer children are left behind (Waldfogel and Washbrook, 2010). They demonstrate that poorer children are less likely to succeed in a competitive system based on merit, and have virtually no chance in a system based on ability to pay. Above all, this tells us that investment in the early years is crucial and that our policy on children and young people must be intimately related to wider economic and social policy.

Nonetheless, we must address the structure of schooling and education across all sectors. Mike Tomlinson, in his ground breaking report, recognised that while A-levels remain as a stand-alone qualification, vocational skills will be a poor second (Tomlinson, 2004). The lack of follow-through in policy was a mistake and an issue that we should re-visit now. With the green economy, high speed rail and the expansion of broadband technology there has never been a greater chance to provide vocational opportunities that lead to high level qualifications, much needed skills and good jobs.

Part of the left's response to this new agenda must also be to re-establish the principle of services that are free at the point of need; something Labour abandoned to its cost with the introduction of tuition fees. The alternatives to tuition fees have been much debated and there is a genuine debate about whether a form of graduate tax provides the best alternative. Vince Cable was right to argue that one of the great advantages of the graduate tax over tuition fees is that it removes the fear of immediate debt (Cable, 2010) and a graduate tax could be a progressive measure. But it could also mean that those

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on low and middle incomes pay much more for their education in the long run; the devil is in the detail.

It is also worth considering the proposition from the UCU that the UK should opt instead for a Business Education Tax, paid for by raising corporation tax to the G7 countries' average (UCU/Compass, 2010). Since the private sector is crying out for young people with the specialist skills they need, and particularly if industry does, as it should, become a bigger part of the UK economy again, there will be an even more pressing need for skilled graduates in engineering, science, maths and technology (BIS, 2009). The state and the student currently shoulder the biggest burden when it comes to funding higher education. Equipping our young people to compete in a global world means giving access to training and skills that have a high value to employers; a supply of skilled graduates is needed by the UK economy so the notion that business should contribute to that education is not totally outlandish. We must have the debate about funding higher education – and it should be a genuine debate – but we must ensure that all of our arguments keep fair access to education, regardless of background, as a central tenet.

Finally, if we are serious about creating a fair society for the children growing up today we must take action to ensure genuine social mobility and fairer entrance to the top professions in the UK. Too many of those professions – media, law and politics, for example – rely on unpaid internships which only the wealthy and connected can access. It is time the state got to grips with this – it is a factor of modern professions that has so far been left unaddressed. It cannot be acceptable for the Labour Party to implicitly continue to accept a model of society where a child's postcode at birth matters more than their potential or the choices they make. Clear legislation to ensure that interns are given a contract of employment, paid at the minimum wage rate and that at the very least opportunities in the state sector are advertised, should be part of Labour's core offer at the next election.

If the left does not act now we will still be having this debate in twenty years' time when a generation of children have been denied opportunity and failed by a system that did not work for them. Labour must return to its core egalitarian, universal, socialist values; it is only by doing this that the majority of children and young people will be served. A strategy that sees Labour return to its principles will not isolate the party, as some fear, but enable us to stand up for the majority of children and young people and make a reality of the egalitarian society the Labour Party was founded to achieve.

Lisa Nandy was elected Labour MP for Wigan in May.

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