

Written evidence submitted by Byron Hyde (CPS0031)

Highlights

- Government lacks a coherent theory of what poverty is
- Contradictory policies lead to fiscal recklessness
- There are three main questions the strategy doesn't answer:
 - Is poverty caused structurally or individually?
 - Is poverty material deprivation or low relative income?
 - Are children the responsibility of parents or the state?
- The Child Poverty Strategy requires a sharper theory of poverty
- Choose one primary metric and organize around it
- Prioritize structural or individual interventions
- Define principles on parental responsibility limits
- Commit to or abandon mobility rhetoric entirely
- Measure poverty not relative household income

Introduction

1. I'm an academic at the University of Bristol and Bangor University. My research focusses on evidence-based policy, trust in institutions, and standards in public life. I also hold numerous public appointments, some of which involve protecting the welfare of young children.

2. The Education Committee and Work and Pensions Committee ask whether the drivers and outcomes set out in the Child Poverty Strategy are the right ones. Drawing on the academic literature as well as my own experience in and out of poverty, both as an adult and a child, I argue that the government is fundamentally confused about what poverty is and what causes it. As a result, their strategy often contradicts itself.

Structural Causes vs. Individual Responsibility

3. The strategy can't decide whether poverty requires fixing broken structures or helping individuals escape them. Consider the £39 billion Social and Affordable Homes Programme – a structural intervention recognizing that housing costs are a systemic driver of poverty. Yet alongside this sits billions on employment support, skills training, and childcare expansion to help individual families work their way out. These aren't complementary; they reflect different theories of what's wrong.

4. If poverty is structural – caused by low wages, high housing costs, inadequate benefits – then the solution is structural reform: wage floors, rent controls, benefit adequacy. Help individuals compete better and you just shuffle who gets left behind. Employment support might help this parent get a better job, but another parent loses out. You haven't created more good jobs or made existing jobs pay more.

5. If poverty is individual – caused by a lack of skills, insufficient work hours, barriers to employment – then structural reform is beside the point. The economy provides adequate opportunities; some families just can't access them. The solution is individual intervention: remove barriers, provide support, enable work.

6. The Child Poverty Strategy does both simultaneously without explaining why. It invests £500 million in the Better Futures Fund for vulnerable families while also spending billions on structural housing

reform. It expands childcare so parents can work more while also increasing the National Living Wage so they need to work less. It strengthens employment rights (structural) while providing personalized jobcentre support (individual).

7. The practical consequence is fiscal recklessness. The strategy tallies initiatives costing tens of billions without a clear theory of which interventions matter most. It's a "better safe than sorry" approach: fund everything, hope something works. Funding both structural- and individual-centric solutions simultaneously shows that the government doesn't know what the problem is.

Relative Income vs. Material Deprivation

8. The strategy deserves credit for developing a deep material poverty metric alongside relative income measures. Material poverty – lacking four or more essentials like warm housing, adequate food, proper clothing – captures what poverty actually means in children's lives. This matters because what's fundamentally wrong about poverty isn't income position but material deprivation.

9. Yet, having acknowledged this, the strategy organizes nearly everything around relative income. All headline targets are income-based: lift 550,000 children out of relative low income, track the employment rate gap, monitor households below 60% of median income. The marquee policy of removing the two-child limit is projected to lift 450,000 children out of relative poverty. The Fair Repayment Rate, Universal Credit uprating, and National Living Wage increases are all income transfers designed to move families across an income threshold.

10. Relative income is fundamentally a measure of inequality, not poverty. If median incomes fall in recession, families exit "poverty" without any improvement. If median incomes rise through sector growth, families become statistically poorer while materially better off. The strategy could hit all its targets while children remain cold and hungry, or miss them entirely while material conditions improve. All the key performance indicators of the Child Poverty Strategy are vulnerable to Goodhart's Law: when a measure becomes a target, it ceases to be a good measure. Curiously, if the government taxed the upper and middle classes to oblivion, many families would no longer be below 60% median income but, far from lifting them out of poverty, such a policy would impoverish the whole nation.

11. Furthermore, income transfers don't address why basic goods cost what they cost or why families can't afford essentials. The strategy acknowledges the "poverty premium" – poor families pay more for utilities, credit, insurance – then responds by giving them slightly more money to overpay with rather than addressing why markets fail them. This treats symptoms while the underlying disease progresses.

12. The material poverty metric points toward different solutions: ensuring housing affordability, food security, access to essential services. This might mean social housing investment, market regulation, universal basic services, or other interventions that directly secure material conditions. However, these take a back seat to income transfers in the Child Poverty Strategy because the government hasn't decided whether it's fighting inequality (relative income) or ensuring sufficiency (material poverty). So it pursues both, spending vast sums without clarity on which objective matters more.

13. The Child Poverty Strategy is a war on inequality, not on poverty. The government wants the moral authority of fighting child poverty while actually pursuing an inequality reduction agenda, without acknowledging the difference between inequality and poverty or committing to the policies an inequality agenda would require.

Parental Responsibility vs. State Obligation

14. The two-child limit removal will lift 450,000 children out of poverty. The justification: “the number of brothers and sisters a child has should not determine whether or not they will go hungry tonight.” But this raises questions the strategy entirely ignores: If parents choose to have more children than they can afford, why is that the state’s responsibility?

15. There’s a coherent position that the welfare state should reflect reproductive responsibility. If you can’t afford children, you shouldn’t keep having them expecting the state to foot the bill. The two-child limit was already generous: it reflected a judgment that children are important and worth investing in by the state, but that parents should consider affordability before expanding their families, and that the state isn’t obliged to subsidize unlimited family size.

16. The Child Poverty Strategy asserts family size shouldn’t determine poverty without explaining why. If the principle is that children shouldn’t suffer for parental choices, where does it end? What about parents who choose not to work despite being able, or who spend on non-essentials while children lack basics, or who refuse suitable employment? Meanwhile, the strategy maintains benefit caps, sanctions, and means-testing, all of which rest on some theory of deserving versus undeserving poor, of parental responsibility and its limits. What is that theory? Why does the state assume reproductive responsibility but not occupational responsibility for the public (especially when, ironically, it’s over one’s reproduction that individuals have the most control)?

17. Without clarity, we get ever-expanding state responsibility. Every parental choice that affects children becomes a state problem requiring a state solution. Parent chooses a fourth child they can’t afford? State funds it. Parent refuses available work? State still supports. Parent spends benefits on cigarettes? State tops up for essentials. That’s neither sustainable nor desirable. The state should ensure children’s basic needs are met, but that doesn’t mean underwriting unlimited family expansion or eliminating all consequences of parental choices. There’s a difference between ensuring children don’t suffer and making the state responsible for every outcome of every parental decision. The strategy has obliterated that distinction without argument or justification.

Conclusion & Recommendations

18. The fundamental confusion is that the government hasn’t decided what kind of problem poverty is and what causes it. If it’s insufficient income relative to median (inequality), then we need progressive taxation and redistribution. But the government hasn’t justified why the state should ensure comparable incomes rather than just adequate ones. If poverty is the inability to afford essentials (material deprivation), then we need universal basic services and minimum standards. But this requires market intervention absent from the Child Poverty Strategy.

19. The strategy tries all simultaneously without acknowledging tensions or prioritizing. This produces policy incoherence and fiscal recklessness: billions on skills training and wage subsidies, mobility rhetoric and redistribution measures, conditional employment requirements and unconditional child support, structural housing reform and individual employment support.

20. The committees should recommend that government develop a clearer, more limited theory of what poverty is and what the state’s obligation entails. Specifically:

20.1. Choose a primary metric and organize around it. If material deprivation is what matters, make it the headline measure and focus interventions there. If relative income matters, explain why inequality itself is the target and commit to the redistribution required. Don’t pursue both without clarity on which takes priority.

20.2. Distinguish structural from individual interventions and prioritize accordingly. If 74% of poor children have working parents, more employment support won't solve poverty: structural wage and housing reform will. If poverty is primarily individual circumstances, focus there and stop spending billions on structural reforms. The strategy should explain which diagnosis it accepts and fund accordingly.

20.3. Articulate clear principles on parental responsibility. Where does parental responsibility end and state obligation begin? Should benefits be conditional on behaviour or unconditional on need? The two-child limit removal needs principled justification beyond "children shouldn't suffer" – that's true of all parental choices affecting children. What makes family size different?

20.4. Abandon the Opportunity Welfare State rhetoric or commit to its implications. If welfare is a springboard requiring recipients to strive, say so – but recognize this excludes those who can't or won't rise. If welfare is an unconditional safety net, say so – but stop emphasizing mobility and advancement. The current "try everything and see what sticks" approach is incoherent and invites unlimited expansion.

20.5. Set clear success criteria that reflect the actual theory of poverty. If we're reducing inequality, measure income distribution. If we're ensuring sufficiency, measure material deprivation. If we're enabling mobility, measure whether poor children catch up with peers. The strategy should measure what it actually cares about, not whatever's easiest to count (in the current strategy, that's relative income – a measurement that's vulnerable to many abuses, as I shew earlier).

21. Before spending tens of billions more on child poverty, we need conceptual clarity about what problem we're solving and what success looks like. The current strategy is scattergun eclecticism hoping something works. It's fiscal recklessness justified by moral urgency.

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