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Investing in the citizen–workers of the future:
New Labour’s ‘third way’ in welfare reform

Ruth Lister
Professor of Social Policy
Loughborough University, UK
M.R.Lister@lboro.ac.uk.


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Introduction

New Labour has now been in power for five years. The ‘New Labour’ brand image was designed to distance the party from its ‘old’ Labour roots in the context of a political landscape transformed by Thatcherism. Tony Blair invoked the rubric of the ‘third way’ in order to signal a move ‘beyond an Old Left preoccupied by state control, high taxation and producer interests; and a New Right treating public investment, and often the very notions of a “society” and collective endeavour as evils to be undone’ (Blair, 1998a: 1). Blair claims that he can ‘explain every part of what the government is doing today in third way terms’ (2002b: 19). The philosophy is, however, elastic and the trajectory over the past five years has been neither even nor consistent. Already there is talk of the need to reinvent the government as ‘new New Labour’.

Welfare reform has been central to the New Labour ‘project’. This paper analyses the key ‘building blocks’ of the emergent new welfare ‘architecture’ from a social policy rather than a political science perspective. It is divided into three, over-lapping, sections. The first two discuss the changing constructions of citizenship and the state; the third focuses on children who, as citizen-workers of the future, are among the main beneficiaries of the emergent ‘social investment state’ (Giddens, 1998: Ch. 4; Jenson and Saint-Martin, 2001).

Citizenship

‘No rights without responsibilities’

From the outset Blair emphasised his intention to reorient the left towards a ‘modern, responsible notion of citizenship’ (The Observer, 5 September, 1999). The statement of values, which replaced Clause IV of the Labour Party’s constitution, sets as its ideal, a community ‘where the rights we enjoy reflect the duties we owe’. Giddens (1998: 65), in his exposition of the third way, goes so far as to propose ‘no rights without responsibilities’ as ‘a prime motto for the new politics’ (emphasis in original). In Blair’s own statement of the third way, he argues that ‘for too long, the demand for rights from the state was separated from the duties of citizenship and the imperative for mutual responsibility on the part of individuals and institutions’ (Blair, 1998a: 4). Back in 1995, he distanced himself from ‘early Left thinking’ in which the ‘language of responsibility [was] spoken far less fluently’ than that of rights. He argued for a two-way covenant of duties between society and citizens which ‘allows us to be much tougher and hard-headed in the rules we apply; and how we apply them’ (1995b).

Blair’s stance reflects an ideological eclecticism that draws on a number of influences, including popular communitarianism, Christian Socialism and social liberalism as well as elements of a moral authoritarianism (Deacon, 1997; Beer, 1998; Freeden, 1999; Heron and Dwyer, 1999; Hughes and Little, 1999). It draws on a view of human nature and motivation very different from the one that animated the Labour Party of old. The

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1 Parts of the first two sections of the paper draw on Lister (2002).

2 Interestingly, Amitai Etzioni has dismissed this formulation as a ‘grave moral error’ on the grounds that ‘basic individual rights are inalienable, just as one’s social obligations cannot be denied’: the relationship between the two is complementary not conditional (2000: 29).
welfare subject is now regarded as motivated more by self-interest than altruism (Deacon 1996, 2000; Le Grand, 1997). Blair is, though, at pains to appeal to an ‘enlightened view of self interest’ (1995b; 1999b) as the basis of the contract between individual and state, in contrast to the narrower, more selfish version promoted by Thatcherism (Deacon, 2000). Where enlightened self-interest provides insufficient motivation, obligations have to be enforced and welfare becomes a (re)moralizing force for regulating behaviour (Davis, 1999, Rose, 1999; Deacon, 2000).

**Regulating behaviour**

This can be seen in a range of social policy areas particularly with respect to parents. Parental responsibilities are emphasised in relation to family, education and child support policies (Home Office, 1998; Blair, 1998a; Gewirtz, 1999; DSS, 1999b). Parental responsibilities to the wider community are also regarded as key to tackling anti-social behaviour and crime and disorder. Increasingly, the link is being made between responsibilities/obligations and the payment of social security benefits. Legislative power has been taken to deny the right to social security to convicted criminals who breach a community sentence in order to send out ‘a clear message…to individuals that their rights to benefits have to be matched by their responsibility to comply with their community sentence’ (DWP press release, 15 October, 2001). More recently, the Government has made it known that it is considering the withdrawal of the universal child benefit from the parents of persistent truants and offenders. It has also supported in principle a Private Members Bill that would remove housing benefit (paid to help those on low incomes with their rents) from tenants where they or a member of their household are deemed guilty of persistent anti-social behaviour. This stance was defended by Alistair Darling (then Work and Pensions Secretary) on the grounds that there is no unconditional right to benefit. It’s entirely consistent with our beliefs that we should give people rights and support when they need support but say that in return that people behave responsibly in relation to other citizens…It’s not only possible, but entirely desirable that we should look at making sure the social security system and the benefits system are matched by responsibility. It’s not asking too much of someone to say you have responsibilities to your fellow neighbours and to other people in society…It is right that we should ask ourselves if there is a role for the benefits system as part of the wider system in asserting the values we hold and asserting the kind of behaviour that we want to see (address to the Parliamentary Press Gallery, reported in *The Independent*, 16 May, 2002).

**Promoting the paid work ethic**

Although philosophically consistent, there is a potential tension in practice between the aspiration to use the benefits system to enforce parental responsibility for the behaviour of children and the expectation that those same parents, particularly lone mothers, will be in the labour market, fulfilling their paid work obligations as citizens. This expectation is expressed in policy through:

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3 In the face of parliamentary opposition, the Government is currently piloting the new power.
4 A Private Member’s Bill is initiated by a backbench MP who wins a place in the Private Members Ballot. This Bill has been promoted by the former Minister Frank Field. Although it has fallen because of lack of parliamentary time, the expectation is that it will be revived, not least since the Government had floated a similar proposal in an earlier Green Paper on housing policy.
5 For example, a lone mother who has to leave the home early to get to a job may not be able to ensure that her child attends school. The tension has been explored more generally by Standing (1999). Research into
a series of New Deal welfare-to-work schemes (obligatory for the unemployed but voluntary for lone parents and disabled people);
- the phasing-in of compulsory work-focused interviews with personal advisers for virtually all claimants of working-age as a condition of benefit receipt;
- a series of policies to ‘make work pay’ and to ease the transition into paid work;
- the Orwellian transmogrification of the Department of Social Security into the Department of Work and Pensions (DWP) with its implicit assumption that all those below pension age will, or at least should, be in work.6

The DWP is responsible for a new administrative ‘working age agency’, the aim of which is ‘to accelerate the move from a welfare system that primarily provides passive support to one that provides active support to help people become independent’ through paid work’ (Blair, 2000: col. 257w). When announcing the agency, Blair emphasised that it will promote a ‘new culture’ of independence and responsibilities and will develop the ‘partnership approach to working with local authorities and the private and voluntary sectors’ in delivering welfare-to-work policies (ibid.; see also the following section).

‘Reforming welfare around the work ethic’ was one of the New Labour mantras that provided the sound track for its first term. Paid work obligations have been at the heart of the ‘new contract for welfare’ underpinning its model of welfare reform. The centrality of paid work marks the confluence of a number of rivers of thought:

- a North American New Right discourse, which promotes work obligations as a badge of citizenship (see, for instance, Mead, 1986) and which vilifies ‘welfare dependency’ (Fraser and Gordon, 1994; Schram, 1995);
- the related emergence of what has been described as ‘the new contractualism’ (Jayasuriya, 2001; White, 2000) or ‘the new [Anglo-American] orthodoxy’ of ‘the principle of reciprocity’ (Jordan, 1998), whereby the relationship between (welfare) state and citizen is recast as a contract. Under this contract the state provides welfare benefits in return for which it can require individual citizens to fulfil certain obligations, most notably the obligation to seek and/or undertake paid work;
- a reassertion of the Protestant work ethic (exemplified in a Daily Mail interview with the Chancellor of the Exchequer, Gordon Brown, in which he explained that he ‘was brought up in a house where my father was a Church of Scotland minister and work was seen as a duty – part of the moral ethic’ [9 March 2000]);
- an emergent European discourse of social exclusion promoted by the European Commission, in which paid work is regarded as the key to social inclusion and as the best anti-poverty policy (Levitas, 1998); and

the use of existing sanctions for anti-social behaviour suggests that lone mother tenants are being penalised for the behaviour of male children and partners (Hunter and Nixon, 2001).

6 This assumption has been questioned by the Government’s own Social Security Advisory Committee in relation to people who do not fit neatly into the categories ‘those who can’ or ‘those who cannot’ work, enshrined in the New Labour mantra of ‘work for those who can; security for those who cannot’ (SSAC, 2002).
a strand in feminist thinking, which prioritises women’s economic independence through paid work (Lister, 2002b). This is reflected in the emergence of what Nancy Fraser (1997) has dubbed the ‘universal breadwinner’ and Jane Lewis (2001) the individualised ‘adult worker’ model, under which all adults capable of paid work are expected to be full-time members of the labour market. In fact, in practice in the UK it is, as Lewis points out, more accurately described as a ‘one and a half adult worker’ model, given the high levels of female part-time employment.7

The state

New Labour inherited a very different state from that which had been taken for granted when it was previously in power. Margaret Thatcher had set out to challenge the Beveridgean/Keynsian state, seen as responsible for both the provision and funding of welfare on a more or less universal basis and for the maintenance of full (male) employment. Central to the assault was a determination (not totally successful in execution) to cut public expenditure and taxation and to ‘roll back the state’ (or at least the welfare arms of it). In the latter stages of the Thatcher regime, the ambition was also to turn the provider state into a regulatory state operating in certain spheres through quasi-markets.8 Strongly influenced by public choice theory, a new maxim ruled: ‘private good, public bad’. The bureaucratic-professional state was, by the end of the Thatcher era, transmogrified into the target-setting, performance-centred, managerial state whose users were constructed as either consumers/customers or welfare dependants/scroungers (Clarke et al, 1994; Clarke and Newman, 1997; Hughes and Lewis, 1998; Clarke, 1997; Hughes, 1998).

While not as anti-state as the new right, the third way retains a scepticism about the state’s role that distinguishes it from traditional social democratic thinking. The New Labour state can be characterised in two main ways: in governance terms, as a further development of ‘the managerial, partnership state’ inherited from the Conservatives and in terms of its role, as ‘the social investment state’, which represents a third way reaction to the New Right’s anti-statism.

The managerial, partnership state

David Miliband (1999), formerly head of the No 10 Policy Unit and now a Government minister, has characterised it as a more limited state, in which enabling, brokerage and regulating is emphasised over providing. As Blair (1999a: 13) underlined in his

7 Ann Shola Orloff (2002) suggests that the norm of female paid work helps to explain why women’s organisations did not prioritise opposition to welfare reform, with its harsh intensification of work obligations, in the US. In contrast, in the Netherlands the attempt to impose a work obligation on lone mothers of school-age children has been unsuccessful because it goes against the grain of dominant ‘gendered moral rationalities’, a term used by Duncan and Edwards to describe ‘collective and social understandings about what is the proper relationship between motherhood and paid work’ (1999: 235). In the UK, resistance is fierce to any suggestion that lone mothers should be required to take paid work. This reflects both dominant gendered moral rationalities (at least in relation to young children) and the barriers created by an inadequate social infrastructure and inflexible employment practices (for a discussion see, Lister, 2003).

8 In fact, as Clarke and Newman (1997) argue, the process of ‘rolling back’ the state involved a “rolling out” of state power but in new, dispersed, forms’, as its regulatory powers were extended through, for instance, contracts with the voluntary sector.
Beveridge Lecture, ‘the welfare state need no longer be delivered only through the state or through traditional methods of Government. Public/private partnership and the voluntary sector will have and should have a greater role to play’. The growing importance attached to the voluntary sector was subsequently underlined by Gordon Brown (2001a) : ‘in the next five years the role of government will shift even more from the old “directing and controlling” to enabling and empowering voluntary action’.

Partnership, while not a novel idea, is, in its multifarious guises and new suits of clothing designed for ‘new times’, the linchpin of New Labour’s modernising governance agenda (Newman, 2001). According to the welfare reform Green Paper, *New Ambitions for our Country: A New Contract for Welfare*, the third way in welfare is partly ‘about combining public and private provision in a new partnership for a new age’ (DSS, 1998: 19). Employers, private-sector financial institutions, trade unions, mutuals and voluntary organisations are all identified as important partners. Partnership is particularly emphasised in relation to pensions, the delivery of the New Deal (Theodore and Peck, 1999) and provision of welfare services. The second principle of welfare reform is that ‘public and private sectors should work in partnership to ensure that, wherever possible, people are insured against foreseeable risks and make provision for their retirement’ (DSS 1998: 33). The aim is to shift the ratio of public-private pension provision from 60:40 to 40:60 by 2050.

In the service sector, partnerships are promoted between public and private or voluntary organisations, between different arms of the state and between providers and users (Cabinet Office, 1999). In health, ‘partnership, cooperation and collaboration are emphasised and mandated at every turn’ (Paton, 1999: 69). Health authorities face a ‘new duty of partnership’ with local councils to promote the well-being of communities; *Partnership in Action* outlines ‘a system of integrated care, based on partnership’ in which social services ‘have a key role’ (DoH 1998: 5 & 3). The White Paper, *Modernising Social Services*, devotes a chapter to a discussion of a wide range of partnerships (Johnson, 1999). In terms of funding, of particular significance is the revitalisation of the Tories’ Private Finance Initiative in which hospitals and schools are privately built and leased to the state, probably at greater long term cost than had they been built with public money. Education Action Jones were established as another site for (unsuccessful) public-private partnerships, linking schools, parents, local government and businesses (Gewirtz, 1999; Muschamp *et al*, 1999), while housing, community regeneration and neighbourhood renewal policy also rely heavily on private and voluntary partners (Kemp, 1999a & b; Hall and Mawson, 1999; Social Exclusion Unit, 2001).

Although frequently associated in the governance literature with the ‘hollowing out’ of the state, Janet Newman suggests an alternative interpretation of partnerships: that they can be viewed as a further dispersal and penetration of state power. The spread of an official and legitimated discourse of partnership has the capacity to draw local stakeholders, from community groups to business organisations, into a more direct relationship with government and involve them in supporting and carrying out the government’s agenda….Labour’s emphasis on holistic and
joined-up government, and its use of partnerships as a means of delivering public policy, can be viewed as enhancing the state’s capacity to secure political objectives by sharing power with a range of actors, drawing them into the policy process. From the perspective of the voluntary and community sectors, partnerships may represent ‘dangerous liaisons’, implying a process of incorporation into the values of the dominant partner. The power to engage actors discursively, and to draw them into the government’s agenda, can be seen as complementing the apparent reduction in state power resulting from the break-up of the old bureaucratic hierarchies through which control over policy implementation was traditionally conducted’ (Newman, 2001: 125-6; emphasis in original)

The ‘joined up government’ to which Newman refers, with its slogan of ‘joined up solutions for joined up problems’, particularly in tackling social exclusion (Mulgan, 1998: 262; Miliband, 1999), is combined with a problem-solving, technocratic approach under which ‘what matters is what works’ (Blair, 1998a: 4). This ‘dogmatic pragmatism’ (Clarke, 1999: 85) diverts attention from the need for more systemic structural change. While ‘joined up government’ explicitly acknowledges that individual problems cannot be solved in isolation from each other, the solution is managerial rather than political: the breaking down of departmental boundaries rather than of structural socio-economic divisions, when both are needed (Lister, 2001a).

If partnerships are the linchpin of the new governance, managerialism, another element in New Labour’s inheritance, can be seen as the ‘organizational glue’ which holds it together (Clarke and Hoggett, 1999: 15; Newman, 1998). As Rouse and Smith (1999: 250) observe, ‘there will be no return to the public administration paradigm as the template for the organisation of the welfare state...The performance management ethos has become even more pronounced under New Labour’ (see also Dean and Woods, 1999; Clarke et al, 2000). It is embodied in the Government’s enthusiasm for target-setting and permeated the first Comprehensive Spending Review, with its plans to ‘root out waste and inefficiency’ and to ‘provide efficient and modern public services’ (HM. Treasury, 1998: 1).

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9 For a commentary on the implementation of joined-up government see Clark (2002)
10 Under the Tories, managerialism cast welfare subjects as customers and consumers rather than citizens (Clarke, 1997, 1998; Hughes and Lewis, 1998). New Labour has attempted to marry the two in the person of ‘the demanding, sceptical, citizen-consumer’ who expects improved standards from public services in line with those in the private sector (DSS, 1998: 16). There is the same emphasis on individual customer service and user rather than provider-led welfare as under the Conservatives (a model which was not necessarily realised in practice and which had more purchase in some arms of the welfare state than others). At the same time, though, there is something of a more collective and democratic approach: examples include the introduction of citizens’ juries and various fora for ‘listening to’ particular groups such as women and older people, as well as resident participation in the neighbourhood renewal action plan. According to Rouse and Smith (1999: 252), ‘more accessible opportunities are being created for the public, through representative and participative means, to contribute to the shaping and control of the welfare state’. Yet, when Blair (1998b) tells us that ‘in all walks of life people act as consumers and not just citizens’ the suspicion is that it is the consumer rather than the citizen who represents the ideal New Labour welfare subject (see also, Gamble and Kenny, 1999).
Having stuck to the expenditure limits bequeathed by the Conservatives for the first two years in power and preached the gospel of limited public spending and taxation, the Government has gradually rehabilitated public spending in the face of widespread public discontent with the state of public services. The upshot is that ‘over the seven years from 1999 to 2006, Britain will see its biggest sustained peacetime increase in public spending’ (Elliott, 2002). Even so, as the Financial Times pointed out, the projected level of 41.9 per cent of GDP in 2005-6 ‘is not a particularly high level by the UK’s historical standards or by the standards of most advanced countries’ (Wolf, 2002). The managerialist price tag for the increase in spending is a renewed emphasis on value for money, reform, audit and targets. In Blair’s words ‘we must not be defenders of the status quo in public services or the welfare state. Our measures of reform…must deliver effective spending, not just big spending (Blair, 2001: 12; emphasis in original). In his 2002 Spending Review statement, the Chancellor emphasised that in each area of service delivery…we are tying new resources to reform and results, and developing a modern way for efficient public services, which includes setting demanding national targets; monitoring performance by independent and open audit and inspection; giving front-line staff the power and flexibility to deliver; extending choice; rewarding success; and turning around failing services (Brown, 2002b: col. 22).

The social investment state

Brown presented his Spending Review as addressing ‘past decades of chronic underinvestment in education, health, transport and housing’. The ‘role of Government’, he declared, ‘is – by expanding educational, employment and economic opportunity, and by encouraging stronger communities – to enable and empower people to make globalisation work for their families and their future’ (ibid.). With the exception of the absence of any explicit reference to children, this sums up pretty well the main elements of the ‘social investment state’.

The term was coined by Anthony Giddens in his articulation of the third way. The guideline, he argued ‘is investment in human capital wherever possible, rather than direct provision of economic maintenance’ (1998: 117, emphasis in original). An earlier template was provided by the Commission on Social Justice, established by the late John Smith, to advise Labour on social and economic reform. The Commission’s report presented three future scenarios: a neo-liberal ‘Deregulators’ Britain’; an egalitarian ‘Levellers’ Britain’; and an ‘Investors’ Britain’, as favoured by the Commission itself. Its central proposition is that ‘it is through investment that economic and social policy are inextricably linked’. ‘High investment – in skills, research, technology, childcare and community development – is the last and first step in a virtuous circle of sustainable growth’ (Commission on Social Justice, 1994: 97, 103). The emphasis is on economic

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11 The rehabilitation of taxation – especially income taxation – has been embraced rather less enthusiastically, although at least the question is back on the agenda, having been the great unmentionable for the first four years or so in power. The Government’s hands are, however, tied on income tax because of repetition of the pledge not to raise income tax rates, including the higher rate which is low by European standards. The case for a public debate on taxation as an expression of citizenship responsibility was made by the influential Commission on Taxation and Citizenship (2000) established by the Fabian Society and chaired by the political scientist (Lord) Raymond Plant.
12 Jenson and Saint-Martin (2002) attribute the idea also to the OECD.
opportunity in the name of social justice as well as of economic prosperity and the achievement of security through investment in and redistribution of ‘opportunities rather than just…income’ (ibid.: 95).

Although the Commission’s report was seen by many as promoting a ‘modernising’ agenda, within a year of publication (after John Smith’s death), its report had effectively metamorphosed from a symbol of New Labour to one of old, as the juggernaut of accelerated modernisation rolled over it. Nevertheless, the influence of its model of an ‘Investors’ Britain’ is clear, if unacknowledged. New Labour has rejected the traditional egalitarian model espoused by the Labour Party for a paradigm and discourse of life-long opportunity and social inclusion (Lister, 2000a, 2001a,b, 2002a). This is linked to ‘a new supply-side agenda for the left’. The agenda emphasises ‘lifetime access to education and training’ as part of the necessary investment in ‘human capital’. It is complemented by ‘an active labour market policy for the left’ in which ‘the state must become an active agent for employment, not merely the passive recipient of the casualties of economic failure’ (Blair and Schröder, 1999: 31, 35). Both exemplify Bob Jessop’s formulation of the post-fordist ‘Schumpetarian workfare state’ in which ‘redistributive welfare rights take second place to a productivist re-ordering of social policy’ in the name of international competitiveness and the need to equip the population to respond to global change (Jessop, 1994: 24, 2000; see also Holden, 1999).

As well as investment in ‘human capital’, the social investment state is concerned to strengthen social capital: ‘investors argue that investment in social institutions is as important as investment in economic infrastructure’ and that ‘the moral and social reconstruction of our society depends on our willingness to invest in social capital’, which is both ‘a good in itself’ and ‘also essential for economic renewal’ (Commission on Social Justice, 1994: 306, 308). ‘Just as social cohesion has economic value, so division has economic cost’ (ibid.: 103). New Labour has launched a ‘national strategy action plan’ for neighbourhood renewal animated by the ‘vision that, within 10 to 20 years, no-one should be seriously disadvantaged by where they live’ (Social Exclusion Unit, 2001: 8). In a recent article, Blair states that a ‘central goal’ and ‘a key task for our second term is to develop greater coherence around our commitment to community, to grasp the opportunity of “civic renewal”. That means a commitment to making the state work better. But most of all, it means strengthening communities themselves’ (Blair, 2002a: 9, 11). The appeal to community has played a key role in the third way differentiation of New Labour from the new right and old left, for it posits ‘an alternative to both the untramelled free market (of neo-liberalism) and the strong state (of social democracy)” (Levitas, 2000: 191).

Children

For the Commission on Social Justice, families and children were critical to the strengthening of both social and human capital. ‘Children are 100 per cent of the nation’s future’ it declared and it argued that ‘the best indicator of the capacity of our economy tomorrow is the quality of our children today’ (CSJ, 1994: 311). Children emerged as

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key figures in New Labour’s social investment state early in 1999. In his Beveridge Lecture, the Prime Minister pledged the Government to eradicate child poverty in two decades, explaining that ‘we have made children our top priority because, as the Chancellor memorably said in his Budget, “they are 20% of the population but they are [echoing the CSJ] 100% of the future”’ (Blair, 1999a 16). Around the same time, the Treasury published a document *Tackling Poverty and Extending Opportunity*, which emphasised the impact of poverty on children’s life chances and opportunities (HM Treasury, 1999).

Although the pledge to end child poverty was made by Blair, much of the policy impetus on children has come from the Treasury under Brown.14 In an article for *Poverty*, the journal of the Child Poverty Action Group (CPAG)15, Brown described child poverty as ‘a scar on Britain’s soul’ and argued that ‘we must give all our children the opportunity to achieve their hopes and fulfil their potential. By investing in them, we are investing in our future’ (Brown, 1999: 8). He has developed these themes in a series of speeches, together with the argument that ‘tackling child poverty is the best anti-drugs, anti-crime, anti-deprivation policy for our country’ (Brown, 2000a). Most recently, in his foreword to the pre-2002 Budget report he states that ‘our children are our future and the most important investment that we can make as a nation is in developing the potential of all our country’s children’ (Brown, 2001: iv). While this report does acknowledge that ‘action to abolish child poverty must improve the current quality of children’s lives as well as investing to enable children to reach their full potential as adults’ (HM Treasury, 2001: 5), the point is not developed. Brown went on to present his 2002 Budget as building a Britain of greater enterprise and greater fairness, and nothing is more important to an enterprising, fairer Britain than that, through education and through support for the family we invest in the potential of every single child in our country (Brown, 2002a: col. 586).

**Investing in Children**

Brown also announced ‘one of the biggest single investments in children and families since the welfare state was formed in the 1940s’ (*ibid.*: col. 587). He was referring primarily to additional investment in an evolving tax credits system that reflects the influence of the Canadian and Australian models and represents what Sylvia Bashevkin has described as an increasingly ‘fiscalized social policy’ (2000: 2). Means-tested benefits for children are being replaced by a child tax credit, which ‘will provide a single, seamless system of income-related support for families with children’ paid direct to the caring parent with the universal child benefit (HM Treasury, 2002: para. 5.17).16 In

14 This is an unusual role for the Treasury, which traditionally has focused on taxation and macro-economic policy and on regulating the expenditure of other government departments. Under Brown it has become a key locus of social policy (Deakin and Parry, 2000).
15 CPAG is the leading independent anti-poverty organisation in the UK.
16 Under the interim working families tax credit (WFTC), introduced by New Labour, payment was to be made through the pay-packet whereas the family credit, which it replaced, was paid to the mother. In response to protests, one-earner two-parent families were allowed to choose to whom the credit should be paid as a compromise. The childcare element of the WFTC will be part of a new working tax credit, but unlike the latter, will be paid to the caring parent. A higher children’s tax credit will be paid during the year of a child’s birth as part of a package to improve support in the early years of a child’s life (see HM Treasury, 2002).
addition, a new working tax credit will incorporate a childcare element. These tax credits represent a further shift in the balance of financial support towards means-testing in the name of the principle of ‘progressive universalism’ i.e. ‘giving everyone a stake in the system while offering more help to those who need it most’ (HM Treasury, 2002: para. 5.5.).

Prior to the introduction of the CTC, the amount of money available for the children of both employed and non-employed parents has already been increased significantly. This includes a phased improvement in the social assistance rates for children so that by October 2002 the real value of assistance for under-11 year old children will have virtually doubled. This improvement deviates from the third way in welfare as articulated by New Labour: improvements in out-of-work benefits were dismissed as ‘dependency’-inducing ‘cash handouts’ to be rejected in favour of ‘a modern form of welfare that believes in empowerment not dependency’ (DSS 1998: 19). It has therefore not been trumpeted as loudly as other policy developments, so much so that many people are still unaware of it. It is an example of a wider phenomenon: ‘redistribution by stealth’. Redistribution of resources, as opposed to redistribution of opportunities, does not fit the New Labour template. When pressed on the issue, Brown has therefore described it as redistribution based on ‘people exercising responsibilities’ to work and bring up children in contrast to old forms of redistribution based on ‘something for nothing’ (Today Programme, BBC Radio 4, 29 March, 1999).

More consistent with the New Labour template has been the piloting and planned introduction of means-tested educational maintenance allowances to encourage young people from low income families to stay on at school and a commitment to an experiment in ‘asset-based welfare’ with a universal ‘child trust fund’ under which every new-born child would be given a modest capital sum, accessible only when they reach 18. The same is true of a series of service-based initiatives. Of particular significance is Sure Start, which was inspired by the American Head Start program:

Sure Start aims to promote the physical, intellectual and social development of pre-school children. Managed through local partnerships between parents, private and voluntary organisations and statutory services, over 430 Sure Start programmes have now been announced, of which more than 250 are operational. By March 2004, 500 programmes will be operating across the country, reaching 400,000 children and around one third of young children living in poverty (HM Treasury, 2002: para. 5.27; see also HM Treasury, 2001).

Sure Start is to be combined with early years education and childcare within a single inter-departmental unit with an integrated budget. A further injection of funds into the national childcare strategy was announced at the same time, in the face of evidence that the policy was flagging. This will involve an additional 250,000 childcare places and the creation of children’s centres, providing services for an additional 300,000 children by

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17 The Government did implement a significant increase in the universal child benefit in its first term, but all the indications are that this will not be repeated. There is considerable criticism of the heavy reliance on means-testing, not least from the former Minister, Frank Field who has described tax credits as ‘a form of permanent serfdom’ (Field, 2002).
2005-006. Childcare organisations have been enthusiastic in their response (*The Guardian*, 16 July, 2002).18

For all its weaknesses, the national childcare strategy represents a breakthrough in British social policy. It represents the first time that government has accepted that childcare is a public as well as a private responsibility. Birte Siim has argued that ‘from the point of view of social policies towards women and children, Britain…represents an exception to the rule of European social policies’, particularly in the area of childcare services (Siim, 2000: 92). This, she suggests, reflects the dominant liberal philosophy of the separation of public and private spheres and (partial) non-intervention in the latter (see also Lewis, 1998; O’Connor *et al.*, 1999).

This philosophy has framed general policy towards children other than those deemed at risk of abuse or neglect. Despite the introduction after the Second World War of the universal child benefit and its extension and replacement by child benefit in the late 1970s, children have been the subject of public neglect. The UK has been described as ‘a serious contender for the title of worst place in Europe to be a child’ (Micklewright and Stewart, 2000: 23). Arguably this reflects not only the liberal strand in the dominant social welfare philosophy but also an ambivalence in British attitudes towards children (Lister, 2000b). A tendency to sentimentalise and idealise children has existed alongside a reluctance to accommodate their presence in the adult world. In addition, during the Thatcher years there was an increasingly strongly expressed view that having children is ‘essentially a private matter’, akin to other expensive consumer goods (Beenstock, 1984 cited in Brown, 1988). Such claims tapped deep-rooted attitudes put most crudely in the (male) expression –‘why should I pay for another man’s pleasure?’.

This sentiment underlies some of the hostility that has always existed towards family allowances/child benefit and the fact that child poverty has not been a popular cause in the UK. Keith Banting’s analysis, for instance, suggested that, although family poverty became an important issue for the 1964-70 Wilson Labour Government (partly thanks to pressure from the newly-formed CPAG), it was a key concern for neither organised labour nor the wider electorate (Banting, 1979). As the former Conservative Chancellor observed, approvingly, in his memoirs, ‘the moral sense of the nation’ is more sympathetic to pensioner than child poverty (Lawson, 1992: 595). Such attitudes may help to explain signs of disappointment among some government ministers that ‘the pledge to end child poverty has not generated the expected political returns’, particularly in the ‘Labour heartlands’ (Barnes, 2000: 1). One consequence has been the bizarre spectacle of the Chancellor calling for an ‘alliance for children’ to put the kind of pressure on him that Jubilee 2000 did with regard to debt eradication in the South. He envisaged ‘a movement based on faith in the future, a crusade for nothing less than the kind of society our children will inherit’ (Brown, 2000b). In response, the End Child Poverty Campaign has been set up by a number of children’s charities.

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18 See Kelly and Le Grand (2001). £200 million a year till 2006 has also been allocated to a new Children’s Fund available to volunteers, charities and community groups to improve local services and support projects for children at risk of social exclusion.
Children as citizen-workers of the future

We are therefore witnessing a genuine, unprecedented, attempt to shift the social priorities of the state and nation to investing in children. What are the implications of this for citizenship? Jane Jenson has suggested that in the social investment state children have become the ‘model citizens’ but, they are so symbolically because, as minors, they cannot be full citizens able ‘to employ the force of democratic politics to insist on social reform in the name of equality’ (2001: 122, 125). In a more recent paper with Denis Saint-Martin she traces a shift in the ‘ideal-typical representation of citizen’ from ‘citizen-worker’ in the ‘social rights’ citizenship regime to ‘the child as citizen-in-becoming’ in the ‘social investment’ regime (Jenson and Saint-Martin, 2001: table 2).

In the UK, as argued above, the ‘citizen-worker’ is still centre stage. Insofar as s/he is being joined there by the child, it is the child as ‘citizen-worker-in becoming’ or ‘citizen-worker of the future’. It is the future worker-citizen rather than democratic-citizen who is the prime asset of the social-investment state. Moreover, the future orientation and discourses of the social investment state encourage not just the elision of demands for equality (including gender equality) in the here-and-now (discussed below)¹⁹, but also, paradoxically, the partial disappearance of childhood and of the child qua child, including the child as a rights-bearer (under the UN Convention on the Rights of the Child). The child as cipher for future economic prosperity and forward-looking modernisation overshadows the child as child-citizen.²⁰

In many ways, the discourse of social investment in children reflects that deployed by organisations and individuals, in the UK and elsewhere, making the case for better state financial support and services for children.²¹ As such it has arguably proved its utility in persuading politicians. In turn, it may also represent a politically astute discourse for politicians to use in a culture unsympathetic to children. However, there are also dangers: as Sanford F. Schram has cautioned in the US context, the deployment of the economistic discourse of investment represents ‘a slippery politics’ (1995: 24). Valerie Polakow warns that if children are seen to ‘matter instrumentally, not existentially’, expenditure on them will only be justifiable where there is a demonstrable payoff, so that there is no room for ‘expenditure which merely contributes to the well-being or enjoyment of children as children’ (1993: 101).

In the UK, while there is strong support among children’s and anti-poverty organisations for the commitment to eradicate child poverty, there is also an emergent critique of the social investment paradigm from a child-centred perspective as well as on-going criticism of the Government’s patchy record on children’s rights. Fawcett et al examine what has been called a ‘new paradigm’ of childhood, which ‘poses a central challenge’ to child-targeted social policies that are

¹⁹ See Jenson (2001); Jenson and Saint-Martin (2001); Dobrowolsky and Saint-Martin (2002).
²⁰ According to Ceridwen Roberts, when Ministers were asked at a seminar in 1998 why they were focusing on children, the response was that ‘children are the future; we are not interested in the past’ (Seminar for Hilary Land, 25 March, 2002, London).
²¹ See for instance Brown (1988); England and Folbre (1999); European Forum for Child Welfare (2002). Indeed, I have used the argument myself, particularly in my former role as Director of CPAG.
justified primarily in terms of the effect upon the future potential of the children concerned. For governments, children symbolise ‘the future’, ‘social renewal’, ‘survival of the nation’ or equivalent sentiments. Such a view is at odds with alternative approaches which counsel the importance of seeing children as ‘beings’ rather than ‘becomings’, as people to be valued in their own right in the present rather than assessed primarily in terms of how well they will construct the future (Fawcett et al., forthcoming, emphasis added).

On the basis of a study of childhood poverty from within this new paradigm of childhood, Tess Ridge has criticised the focus ‘on children as “adults to be”, as future investments, rather than as children with their own voices and agency, their own experiences and concerns’ (Ridge, 2002a: 12; 2002b). Goals and targets are future-oriented rather than focused ‘on the quality of children’s lives – goals of achieving childhoods that are, as far as possible, happy, healthy and fulfilled’ (Piachaud, 2001: 453). Likewise, in the target-filled world of the managerial state, education is reduced to a utilitarian achievement-oriented measurement culture of tests and exams, with little attention paid to the actual educational experience.

The state is, however, not monolithic and there are spaces within it where children are valued as ‘beings’ and not just ‘becomings’. For instance, Fawcett et al. suggest that, on the ground, programmes such as Sure Start do often engage with ‘quality of life issues in the here-and-now as well as investing in the future’ (Fawcett et al., forthcoming). Of particular significance is the Children and Young Person’s Unit established by the Government in 2000 within the Department for Education and Skills. In 2001 it published a consultation document *Building a Strategy for Children and Young People*. This set out a vision and set of principles that pays attention to the present as well as the future and that treats children and young people as social actors whose views should be taken into account. An imaginative consultation process was designed to maximise children and young people’s own participation. The Unit has also published a guidance document on children and young people’s participation in decisions that affect their lives at every level from their own lives to national policy-making. ‘Promoting citizenship and social inclusion’ is one of the arguments put in favour of such an approach (CYPU, 2001: 6).

Children’s right to express their views and have them taken seriously in all matters affecting them is enshrined in Article 12 of the Convention on the Rights of the Child. Gerison Lansdown (2002) has argued that ‘it is far from adequately implemented in respect of children in the UK’. Her view and that of many children’s rights activists is that the appointment of a Children’s Rights Commissioner is crucial to the protection and promotion of the human rights of children. Hitherto the Government has resisted such calls for an English Commissioner, despite acceptance in the devolved administrations

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22 See also a report by the European Children’s Network which calls for a children’s perspective on poverty (Ruxton and Bennett, 2002).

23 The document gives examples of children and young people’s involvement including the establishment by the Unit of a Young People’s Advisory Forum, comprising 30 young people aged 11-17, to advise the Minister for Young People and the Unit.
and many other countries and a commitment in Labour’s 1992 Election Manifesto (subsequently dropped by Blair) (Lansdown, 2002). More generally, the Government’s approach to children’s rights has been piecemeal. It has been more willing to countenance rights for children that do not live with their parents than to intervene in the private sphere of the family of those who do – most notably in the refusal to remove parents’ right to hit their children. As Fawcett et al. (forthcoming) observe, the Government thereby ‘allies itself with older discourses around “children as property” and sets itself firmly against moves to democratise the family more fully, a rather curious positioning in view of its much vaunted claims to be “modern” and its assumptions about gender equality’.

Jenson and Saint-Martin (2001) warn that neglect of gender equality issues is one consequence of the future-oriented social investment state. There is a danger that child poverty is divorced from that of their mothers and more generally that ‘questions of gender power…are more and more difficult to raise, as adults are left to take responsibility for their own lives’ (Jenson, 2001: 125). It would be wrong to say that New Labour has ignored the issue of gender equality but the consensus is that it has accorded it relatively low priority, despite the establishment of a Women and Equality Unit and a number of specific policies that will improve women’s lives. New Labour’s avoidance of a systematic gendered analysis and strategy is not, however, simply a function of its social investment priorities. It also reflects its association of feminism with ‘yesterday’s politics’ (Coote, 2000: 3) and a related reluctance to acknowledge structural inequalities and conflicts of interest in a concern to promote consensus and cohesion (Coote, 2001; Franklin, 2000a, b; McRobbie, 2000). That said, a focus on the child is one way of side-stepping social divisions of class, gender and ‘race’, even though these frame and shape children’s opportunities and adult outcomes.

Conclusion

The design of the new welfare architecture in the UK involves the changing construction of both citizenship and the state. In return for the promise of investment in economic opportunity by the state, increased emphasis is being placed on the responsibilities of citizens, most notably: to equip themselves to respond to the challenges of economic globalisation through improved employability; to support themselves through paid work; to invest in their own pensions; and to ensure the responsible behaviour of their children. The emergent state can be characterised as ‘the social investment state’ in terms of its role while in terms of governance, there has been a shift towards ‘the managerial, partnership state’, begun under the previous Conservative Government.

As investment in ‘human’ and social capital becomes a primary function of the social investment state, the child and the community have become its emblems. The child in particular takes on iconic status. However, it is the child as ‘citizen-worker’ of the future rather than the ‘citizen-child’ of the present who is invoked by the new discourse of social investment. Thus, despite the prioritising of children, the quality of their childhood risks being overshadowed by a preoccupation with their development as future citizen-workers. Likewise, despite a strong emphasis on the need to integrate economic and
social policy, integration has not challenged the traditional subordinate ‘handmaiden’ relationship of the social to the economic (Titmuss, 1974: 31; see also Beck et al., 1997).

It is difficult to make sense of current developments using traditional welfare regime analysis. In some ways the UK is shifting further towards a liberal welfare regime, as conventionally articulated, with the increased reliance on means-tested and private forms of welfare provision. In other ways, most notably in relation to childcare, it is inching in the direction of more institutionalised Continental European welfare states, as the state finally acknowledges that childcare is a public as well as a private responsibility. The idea of the ‘social investment state’ may therefore provide a more helpful framework for understanding the emergent new welfare architecture. Indeed, the suggestion is that it may represent a transformation of some liberal regimes, most notably the UK and Canada, into a rather different animal from that described in Gösta Esping-Andersen’s original analysis (Dobrowolsky and Saint-Martin, 2002; Jenson and Saint-Martin, 2002).24

It is tempting therefore to interpret all policy developments in terms of the social investment state template. We need to be careful though. First, not all policy shifts are necessarily reducible to the template, even if they are consistent with it. Thus, for instance, New Labour’s preoccupation with citizenship responsibility and the obligations associated with the paid work ethic needs to be analysed in its own right as well as simply as an expression of the social investment state. Indeed, it helps us to understand better the true complexion of the model-citizen in that state. Likewise, shifts in governance, characterised here as the emergence of the ‘managerial, partnership state’, cannot simply be subsumed under the rubric of social investment, even if they are associated with it in practice. Second, the state is not a monolith and it is dangerous to assume ‘unity or integration’ or to flatten out complexity (Pringle and Watson, 1992: 63; Clarke, 2000). New Labour itself has been described as ‘essentially ambiguous and Janus-faced’, reflecting the ‘often contradictory and conflicting traditions of social democracy, social conservatism, Thatcherism and pragmatism’ upon which it draws (Smith, 2001: 267). Such ambiguities mean that there are spaces, such as around childhood, that civil society actors can exploit. Thus, even if we are witnessing a genuine paradigm shift, both analysts and activists need to remain alert to complexities and possible inconsistencies within the specific policy configurations to be found in emergent social investment states.

**Bibliography**


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24 Esping-Andersen himself suggests a bifurcation between ‘youth-oriented’ liberal regimes and a group that is ‘ever more aged-biased and service-lean’ (1999: 166). He includes the UK in the latter (with the US) but this was before the emergence of New Labour’s social investment state.


