

Why won't Labour end child poverty at this election?

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I posted [this video to YouTube](#) this morning.

In it I argue that Labour is saying it cannot afford to end child poverty. That, however, is only because it is refusing to charge more tax on the wealthy. Worse, it is refusing to acknowledge that this is the choice that it is making. For example, if it simply equalised the tax rates on income and capital gains, it could raise the money needed to end child poverty six times over. No reasonable person could object to that. So why is Labour refusing to consider it?

<https://www.youtube.com/watch?v=AghYqYlGikA>

The transcript is:

Why won't Labour end child poverty at this election?

It could. The cost is £1.8 billion per annum, and as I've discussed in previous videos, that money could be found by it with ease if only it wanted to solve this problem.

And let's be clear about what the scale of this problem is. Because of the two-child cap on benefit payments introduced by George Osborne to supposedly force people back to work, nearly one million children are now living in poverty.

Some of those are in extreme poverty, the rest in moderate poverty. But that also implies that their families are living under stress as well, and most of those families have people who are at work within them. In other words, this policy which was introduced to push people back to work isn't working, nor has it changed the birth rate.

And nor has it delivered in any way the desired outcome that George Osborne imagined for it.

But Labour says, "Very sorry, there is no money, we can't solve this problem". One million children in the UK are still going to have to live in poverty because we have fiscal rules that say we can't spend that much additional money to solve the crisis that they live in.

And I mean it's the crisis that they live in - the day-to-day problem of putting food on the table in front of them.

But it would be easy to solve that problem. For example, Labor could change the rate of tax charged on capital gains in this country. Capital gains are, of course, almost only earned by people with wealth because they arise on the sale of capital assets, works of art, rented properties, some types of collectible items, but most especially, and I mean most especially, on the sale of financial assets like shares.

Those assets are subject to tax, when they make a profit, at near enough half the rate of tax paid by a person on their ordinary income. If only we charged tax on capital gains at the same rate as income tax - and I beg you to find a good reason why we should not, because I cannot find one, because one pound in your pocket from wherever it comes has the same value to the recipient, whatever its source - if only we charged those capital gains to tax at income tax rates, then Labour could raise money. Twelve billion pounds of extra tax a year. In other words, they could not only remove the two-child benefit cap, but they could also have ten billion over to change other benefits to make sure that the children of this country have the childhoods they deserve.

I don't know why they won't promise this.

I'm completely baffled and I don't think there is any reasonable person in this country who could say that if you line up the choice between child poverty and low rates of tax on capital gains, we should choose low rates of tax on capital gains to favour the wealthy and blow the future and well-being of one million children. I don't believe anybody would really make that choice if it was put before them. But Labour isn't even giving us the chance because it won't address this issue. And in my opinion, that is wrong.