



### Welfare state reforms (Mar 2011)

by [Jane Turner](#)

#### INTRODUCTION

Work and Pensions Secretary, Iain Duncan-Smith's (IDS) welfare reforms were being discussed on a phone-in radio show recently and one caller said he would prefer to live off £65 per week unemployment benefit and spend time with his children than work in any of the jobs on offer where he lived. While this might shock some and bring out the “hang-em, flog-em, get-on-ye-bike or make them do national service” brigade I have some sympathy with his point of view. About to become an unemployment statistic myself due to the vicious council cuts and low economic horizons of successive governments I can confirm that the job vacancies on offer are mostly dire, and that signing on seems marginally preferable.

Whereas once the working class might have had at least some dignity in their labour doing jobs that required some skill and application, now they are expected to shift boxes for 48 hours a week from one side of a warehouse to another for a pittance, or take care of the more elderly and sidelined members of society or wait on tables serving those fortunate enough to be able to afford to eat out.

My local paper has vacancies for “apprenticeships” paying £100 per week in retail and care, but

just how difficult is it to stack a shelf or wash someone? Apprenticeships, although always undoubtedly a way to get labour on the cheap for a longer period of time than necessary, used at least to be in trades that did require some actual skill. And who can live – I mean live - on £100 a week anyway? If that's what IDS means by "making work pay", his reforms are hardly the radical overhaul they are being hailed as in the media, just representative of the government's lack of visionary strategy and inability to create worthwhile and productive jobs for the millions currently unemployed and about to become so.

On the other hand, signing on every fortnight for unemployment benefits is hardly a desirable state to be in either. Living off the state for too long is not only a financial nightmare (whoever thought up the word "benefits" was obviously having a laugh, as it is not much benefit at all really) but also detrimental to the individual as they become increasingly reliant on state institutions in order to maintain a basic standard of living and in doing so disappear from public life and into a state of passive acceptance of the way things are instead of mounting a fight back for an alternative form of social organisation that provides worthwhile and productive labour and a share in the fruits of a progressive society.

Estimates put unemployment at around 8% today, but it varies by region and in some parts of the UK is said to be as high as 20%; add to that the significant numbers on incapacity benefits and it makes a hefty number and a huge bill. By making work marginally more profitable than signing on for benefits IDS hopes to reduce the enormous welfare costs that have grown along with the rise in unemployment and fill many of the low-paid job vacancies by forcing the unemployed to take them or have their benefits cut entirely. So, the changes, announced at a time when the country has huge debts and presented as an exercise in common-sense good housekeeping seems to make sense to many, as does scrapping the over-complicated and over-bureaucratic system of benefits.

It also gets some brownie-points in the media because it targets their favourite whipping boy –

the fat, feckless, uneducated and workshy – just some of the labels attached to those unemployed. By couching their policies in the rhetoric of fairness and tapping into sentiments expressed by many, the reforms seem to have hit a nerve and been welcomed as long overdue. Television and radio interviews with aggrieved wage-poor sections of the working class who seem to think that the unemployed are somehow less deserving than they are because they get in benefits more than they in work get in wages have been aired and used to justify these policies.

It seems to make perfect sense in a crisis to cut down on bureaucracy and waste, and about time that someone dealt with the idle millions on the dole by cutting their benefits if they don't take a job, so goes the spin. I've heard it said myself that "it's not fair" and "why should that lazy b\*\*\*\*\*d at no. 47" get hundreds of pounds in a variety of different benefits, while "we go out to work for not much more....we can't afford a holiday and yet they go away every year and run a new car, etc, etc, etc". The media love to print a headline or two about families with dozens of children living in large houses at "our expense" and seem to be forever hounding one particular northern male as he goes around the region fathering children and getting the system to pay for them, as if this was representative of the many who have been unable to find a decent job for so long that yes, they may in some cases have actually given up on trying to find one.

But they are wrong to waste their energy on hostility towards the unemployed, who through no fault of their own are unable to provide for themselves. Sure, many working people are aggrieved, they work hard for low pay and life is one unrelenting battle to keep the bailiffs from the door. But shouldn't their ferocity be aimed at successive governments who have ruled over a system that did not, does not and is unlikely ever to, provide full and fruitful employment for all of its citizens?

### **WELFARE REFORM and AUSTERITY MEASURES**

The proposals in the white paper are based on blaming the jobless for their own unemployment, and using the hard to disagree with slogan of "making work pay" IDS set out the plans to make sure that people in work are better off than the unemployed, saying that millions of people have become "trapped" on benefits. "Long-term unemployment is entrenched in communities where

generations of families have not worked for years" IDS said, "Our reforms will end the absurdity of a system where people too often get rewarded for doing the wrong thing, and those who strive to do the best by their families get penalised".

There is all party agreement on the need for welfare reform. Nick Clegg has called this "the most radical overhaul of our welfare system since its inception".

The reforms propose consolidating the existing 30 or more work-related benefits - including jobseeker's allowance, housing benefit, child tax credit, working tax credit, income support and employment support allowance - into a single universal credit, likely to come into force for new claimants by 2013, with a target of migrating all recipients onto it in the first few years of the next Parliament after 2015. The estimated start up and implementation costs are in the region of £2.1billion.

Benefits not being scrapped include; disability living allowance, child benefit, contributory job seekers allowance, statutory sick pay, maternity pay and allowance, industrial injuries allowance.

The new universal credit will replace the working tax credit, child tax credit, housing benefit, income support, jobseekers allowance and income related allowances.

The paper also introduces tougher penalties for the failure to accept a reasonable job offer. Failure to apply for a job or failure to attend Mandatory Work Activity will result in Jobseekers Allowance being stopped for at least three months. In the most "extreme" cases, "where benefit recipients have serially and deliberately breached conditions" benefits will be cut for three years - and claimants may not have access to hardship for the whole of that period to make up the shortfall. Those repeatedly convicted of benefit fraud could have their benefits stopped for three years.

Setting out his proposals in the Commons, IDS told MPs he was determined to "ensure people will consistently and transparently be better off for each hour they work and for every pound they earn". He said that "low paid workers will be able to keep more of what they earn and be able to move in and out of work without losing benefits". State support he said would "be withdrawn in a less abrupt and more transparent way" and people coming off welfare into work would now only lose 65p of each pound they earned on top of their benefit, which is better than the current rate but 10% less generous than the conservatives announced before the election.

IDS also said in his appeal to "common sense" that "70% of the four million new jobs created during one of the longest economic booms in history had gone to foreign workers, while 4.5 million British people continued a life on benefits, this was not fair or affordable". "Businesses had to bring people in from overseas because our welfare system did not encourage or even assist people to take those jobs". Echoing this sentiment that the British unemployed are too lazy and unmotivated to work, was a report in the Sunday Times on 20 February, under the headline "Too wet to work" which quoted Saint Jamie Oliver as saying he has never experienced "such a wet generation". Adding that "he is too embarrassed to look at British kids, with their mummies ringing up saying they are too tired, you're working him too hard".

At the same time as announcing it's plans for welfare reform, the coalition government has announced a massive plan of public spending cuts "to reduce the deficit left by Labour" which

they regurgitate constantly like that infuriating little tell-tale in the school-yard. Not quite, but almost sticking their tongues out and pulling faces at the opposition when they repeat it. In the absence of a constructive plan to re-build the economy the coalition has resorted to wielding the axe and aiming it at the masses with force with its planned austerity measures of cuts, cuts and more cuts. As a result, it is expected that unemployment will increase by at least a further 1 million by the end of 2011. Their plan – or should I say hope - is that the private sector will grow and take on those people made unemployed from the public sector, but to date, there has been no evidence of this.

### **THE CHANGING NATURE OF THE WELFARE STATE**

The welfare state developed as an attempt to mitigate the failures of capitalist society and to contain the threat of class conflict – it was driven by the interests of the state, not the interests of the poor. In wars Britain's "fighting men" were evidently physically weak and unfit for service and the ruling classes feared that they would lose their military greatness if this was not addressed. Discussions had been taking place in elite circles for decades about how to improve the basic conditions of the working man. At the same time, Britain's economic dominance was being challenged by Germany who had already introduced a form of welfare state to maximise productivity and contain social conflict and which soon became the model for the British welfare state. A state-run welfare system was also preferable to the possibility of the growing and increasingly confident labour movement transforming their conditions by and for themselves. Of course it was not presented in this way.

In 1942 the Liberal Politician, William Beveridge declared that the new welfare state was designed to rid society of the "five giants that plagued society"; poverty, disease, squalor, ignorance and idleness.

The welfare state was made up of a series of laws, interventions, policies and state institutions and consisted of social security, a national health service, free education, council housing and

at the same time a plan to nationalise the railways, coal and steel and move to full employment. In return for paying a flat rate national insurance contribution the UK citizen would it was said “gain financial security against major ills” including family allowance, unemployment pay, sick pay and the state pension.

It was designed to help citizens cope with hardship, get back on their feet and run their own lives as autonomous and capable people and was described in The Times as “the last defence against anybody in extreme poverty”.

There is no doubt that it was one of the most comprehensive welfare systems in the world and in both principle and reality, its benefits were felt by all. Many diseases were eradicated and the health of the general population was vastly improved. At the same time, the principle of universal access to free healthcare and education was established.

Today, with unemployment expected to reach around 5 million by the end of 2011 (taking into account those declared as incapacitated in recent years), the welfare state is said to be almost bankrupt. Education, hospitals and social security systems are all under attack by the coalition government, as they try to plug the hole in the nation’s deficit by slashing their budgets. IDS’s welfare reforms are an attempt to save money cloaked in the caring language of “making work pay”.

Interviewed in The Times on 19 February, IDS said that the problem for “these people (the

unemployed) is as much psychological as physical. There were about 2 million new jobs created in the last 12 years but over half were taken by people from overseas. There were 4.5 million British people sitting there, theoretically able to do some work, but not taking those jobs. You can become imbued with the idea that there is no point”, so in response to this recession, the state is training counsellors and therapists to help the newly unemployed cope with the loss of their jobs and get them back into work. Alongside the unemployed in need of support, there are also around 50% of those currently claiming benefits who have been redefined as incapable of working by the state and are in receipt of incapacity benefit.

So, whereas the original welfare state provided citizens with the basics to survive, it now takes a far more therapeutic approach, and redefines unemployment as somehow hereditary and of our own making, setting us up as victims, incapacitated and in need of therapy or counselling and rejecting the idea that we have the capacity to run our own lives thus paving the way for a whole army of “professionals” to help us manage our own health and lifestyles, family life, child-rearing and community relations, and in doing so undermining us.

## CONCLUSIONS

IDS’s welfare reforms are being judged by their capacity to cut the benefits bill in a crisis and by targeting the so-called “scroungers and idlers”, thus appealing to popular misconceptions that there is no alternative to cuts and that there are millions of un-deserving poor people who are leeching off the rest of us. It also demonstrates that in some circles the unemployed are thought of as somehow responsible for their own situation and for passing on unemployment from one generation to the next in the same way as they hand down their genes.

Surely the only welfare reforms we should welcome are those that give us the capacity to take control of our own lives and resources to live the life we desire to lead?