

Speech to Hampshire LRC meeting on Welfare
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Andrew Fisher

We've heard from the TUC today that three million public sector workers could be out in November.

But we've also heard today that there are already two and a half million out – out of work, as unemployment hits 2.51 million. On top of that there are another 579,000 on temporary contracts who want permanent jobs – and 1,284,000 working part-time who want a full-time job. So there are nearly 4.4 million looking for work – and only 450,000 vacancies – 10 people for every job going. That's before you start moving anyone from incapacity benefit onto Jobseeker's Allowance.

This government is failing to provide jobs – jobs that would reduce welfare spending more effectively than any cut; and that would mean people were in work paying tax, increasing government revenue.

Instead, this government's strategy is to demonise those on welfare – to say they're 'scroungers', 'idle', 'living off the hard work of others'. Those terms were used by David Cameron, Iain Duncan Smith and Chris Grayling respectively. But the assault on the terminology we use is also partly Labour's fault by renaming the Department for Social Security and replacing it with the Department for Work and Pensions. Welfare is a collective, or social, security against poverty through ill-health, disability, unemployment and old age.

The campaign against welfare didn't begin in May 2010 ...

Almost everything you've ever heard in the last 30 years about welfare, the people that claim it, and the money involved has been a campaign of vilification.

Yet this unrelenting propaganda campaign has been used to increasingly dismantle the UK welfare state conceived of by a Liberal – William Beveridge – and implemented by a Labour government.

It started with the collapse of the post-war social democratic mixed economy consensus. Under the final years of the Callaghan government in the 1970s unemployment rose to over one million.

Ironically, this played a key role in the election of the Conservative government in 1979 with the famous 'Labour isn't working' poster (designed by Saatchi & Saatchi) showing a long snaking dole queue – depicting the concern that over 1 million people were unemployed. By the mid-1980s however, unemployment would peak at more than 3.5 million.

Now we have a Tory government again. The first thing they did in government was their emergency budget which ushered in the first round of what now amounts to £20 billion cuts in the welfare budget, but at the same time they've cut business taxes by over £25 billion.

There are several competing processes that a right wing hate campaign has drawn upon:

1. An ideological belief in the free market – and individualism.. The ideology – forever associated with the 1980s – that 'greed is good' and the mythology of the 'self-made man'. As Margaret Thatcher said "There is no such thing as society" or as her successor John Major said "we should understand a little less and condemn a little more"
2. There's also a gross misogyny that resents women having careers. Women are blamed for having careers for a variety of reasons: it puts men out of work (an argument recently made by Tory Minister David Willetts). But it wasn't women that put millions of men out of work, it was one woman, Margaret Thatcher, when she destroyed British industry. But even worse than women with careers are single mothers (they're condemned if they abandon their children to go out to work and have careers, and they're condemned if they stay at home to bring up children. Damned if they do, damned if they don't.
3. A hatred of the state. A dogmatic belief that anything the state does is inefficient, bureaucratic and creates 'dependency' and should either be stopped or privatised. Thatcher called it "rolling back the state", Cameron calls it the 'Big Society'.

Myths

I want to look at four myths that have been built up in the relentless hate campaign against welfare:

First, 'benefits are generous'

The primary architect of the UK welfare state William Beveridge said,

"Social insurance should aim at guaranteeing the minimum income needed for subsistence ... determination of what is required for reasonable human subsistence is a matter of judgement; estimates on this point change with time, and generally, in a progressive community change upwards."

But that has not happened. Unemployment benefit is just £65.45 per week – less than £10 per day. If you're irresponsible enough to be aged under-25 you get just £51.85 (just over £7 per day).

An opinion poll conducted by PCS in 2009 found only 4% reply that they were very confident they could survive on JSA.

If unemployment benefit had kept pace with earnings since 1979 it would be worth over £110 per week today.

It's worth bearing in mind the basic state pension is worth just £102 per week, when the government says the poverty line is £178 per week. So the basic state pension is worth just 57% of what the government says is the poverty line

Second, 'benefits take away incentives to work'

Iain Duncan Smith and David Cameron keep saying they are 'reforming' welfare to "make work pay".

Research by the British Social Attitudes Surveyⁱⁱ shows that "work morale is actually *stronger* in countries with more generous welfare states" [emphasis in original]. The study of 13 countries in Europe, North America and Australasia found that "Britain has the weakest work commitment of all these countries". Norway had the highest level of work commitment, it also had the most generous welfare state, along with Sweden.

Research author, Ingrid Esser states:

"it is clear that work morale has not been undermined by generous welfare states. Given the political controversy that has raged about this issue, this is an important finding . . . it appears to be quite possible to maintain strong work morale within a generous welfare state."

What also undermines Cameron and Duncan-Smith's case is that one of the major welfare cuts they are making is of Disability Living Allowance – a benefit that enables many disabled people to go out to work, and without which many could not.

Third, 'there is massive fraud'

Benefit and tax credit fraud is estimated by the DWP to cost the country £1.5 billion per year. However, every year £16 billion of benefits and tax credits go unclaimed.

The National Audit Office has today published figures showing the take-up rates for different benefits and tax credits – only two-thirds for Pensions Credit and barely over half for Jobseeker's Allowance.

One of the areas of welfare most mentioned in relation to fraud is Housing benefit.

One of my favourite stories on welfare was published by the Evening Standard Christmas Eve 2008 under the headline '*Revealed: the £2.6m council house family*'.

It went on to describe:

"A mother of eight living on housing benefit in a £2.6million home provided by her London council

"Francesca Walker told of her new life in the Notting Hill townhouse which costs taxpayers £90,000 a year.

"She was given the five bedroom, three bathroom four-floor property because of a loophole which means Kensington and Chelsea council had to fund a suitable home in the borough for a family of that size.

"The 33-year-old Muslim convert, whose children by two fathers are aged from five to 16, said she would rather be in a job than caught in a benefits trap which leaves her worse off if she goes out to work."

Now who is to blame for this – is it the government for failing to build council housing? Is it the government for failing to regulate private rents? Is it the landlord for gratuitously over-charging? No, it's the person on welfare, especially if they're a single mother and a Muslim.

Fourth, 'the private sector is more efficient'

David Freud was an investment banker commissioned by New Labour to look at the welfare state. On taking on the assignment he admitted he knew very little about welfare, but that did not stop him. He declared welfare to be "an annual multi-billion market". Freud has since been ennobled and Lord Freud is a junior minister in the coalition government.

But what impact has the private sector had on welfare delivery?

Research conducted by Cardiff University in 2008 found that: "Whenever Jobcentre Plus has been allowed the same flexibilities and funding as private sector companies or charitable organisations it has been able to match, if not surpass, the performance of contractors".

This was reinforced by the National Audit Office report on the Pathways to Work scheme which found: "Contractors have universally underperformed against targets set by the department which had to make concessions as part of contractual renegotiations to support the continuation of businesses and services".

The report also found that: "Jobcentre Plus achieved better job outcomes rates for mandatory customers compared to external providers in areas led by them".

Research into contracting-out of employment services in Australia, Denmark, Germany and the Netherlands found limited evidence to suggest efficiency gains or cost savings from the large-scale involvement of voluntary and private sectors leads to innovation in service delivery. It does of course deliver big profits for shareholders. What has been found though is that private contractors paid by results will 'cherry-pick' easier to help cases and leave behind those deemed more difficult.

And then there's also ATOS – the company that does healthcare assessments for those seeking Employment and Support Allowance. Its methodology has been widely condemned, including by the government's own Harrington review. Yet it runs a contract worth £100 million per year to help the government achieve its own target of moving 1 million people off disability benefits.

Conclusion

Welfare is about a solidarity society. From each according to their means, to each according to their needs. It recognises we have responsibilities to each other. That we all benefit from having a fair chance, from no one being left in poverty and dehumanised.

It's the concept the Xhosa in South Africa called 'Ubuntu' – I am because you are.

What the English poet John Donne put more expansively as

"No man is an Island, entire of itself; every man is a piece of the Continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friends or of thine own were; any man's death diminishes me, because I am involved in Mankind; And therefore never send to know for whom the bell tolls; It tolls for thee."

We must revive the language of 'social security', and 'welfare *rights*'.

It was Labour that created the welfare state, and it is up to us to defend it and renew it – based as it is on our values of solidarity and social justice.