

Britain: Why Labour backbenchers oppose changes in disability benefits

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Prime Minister Tony Blair faced his largest rebellion by Labour backbench MP's last week, when 65 of them voted against plans to restrict disability benefits. The votes of these Labour backbenchers—combined with those of the opposition parties and some Labour abstentions—reduced the government's majority from 176 to 40, its smallest since taking office. A similar revolt is now being threatened against sections of the government's Asylum and Immigration Bill.

What accounts for the outbreak of discontent in Labour's ranks?

Opposition focussed on two clauses in the new government legislation that change the rules for claiming Incapacity Benefit. The government proposes to means test Incapacity Benefit—currently paid at £66.75 a week—and scrap Severe Disablement Allowance (SDA) worth £40.35 a week. Some 1.7 million people currently qualify for either benefit, the vast majority of whom are men living in former areas of heavy industry.

The government claims that those with occupational or personal pensions are using the entitlement to such disability benefits as a quick “meal ticket” to retirement. Under its proposals, those receiving pensions of £50 a week or more will lose their benefits. Approximately 45,000 people are expected to lose an average of £28 a week in the first year of the measure's introduction. The abolition of SDA will also mean 10,000 severely disabled people losing benefits.

These changes are only a small part of the government's Welfare Reform and Pensions Bill introduced earlier this year. The bill's aim is two-fold: to slash £750 million annually from state benefits and, more fundamentally, to end the system of universal welfare provision through a combination of means-testing and forcing benefit recipients into low-paid

work.

A series of tax credits are being introduced as incentives. The Working Family Tax Credit, for example, due to take effect in October this year, supposedly guarantees a basic income of £180 a week for families with at least one person working. Besides representing a significant reduction in the present official poverty line of £210 a week minimum family income, such credits enable the government to shift the emphasis of welfare provision. This will no longer be paid to all those in need, but targeted on what in Victorian times was called the “deserving poor”.

Blair has described the measures as ending the “something for nothing” society. Under the threat of losing their benefits, unemployed youth are being forced onto the “New Deal” workfare programme. On the same day that Parliament debated disability changes, David Blunkett, secretary of state for Education and Employment, announced a “three strikes and you're out” measure. Unemployed claimants aged below 25 who refuse three job offers will lose all benefits for six months.

Labour's Welfare Bill will also introduce “availability for work” interviews for lone mothers and stringent “employability” tests—as opposed to incapacity tests—for the long-term sick and disabled. Pension reforms are similarly aimed at removing entitlement to the basic state pension, which is set to decline to just 9 percent of average earnings by 2020. This minimal sum is to be restricted to those in extreme poverty, forcing the majority of workers to make private arrangements.

Many of last week's backbench rebels have supported the bulk of the new bill's provisions and there was no outrage expressed over Blunkett's announcement hitting the young unemployed.

The Labour rebels argue that the changes to disability

rules are fraught with difficulties. Cutting the incomes of some of the most vulnerable sections of society jars with Blair's efforts to project Labour as a "caring" government, they complain. Labour is heavily dependent on favourable media publicity to camouflage its attacks on basic social provisions. Each new piece of retrogressive legislation is accompanied by the creation of "focus" groups, comprised of organisations representing those under attack. This enables the government to claim that its proposals have been subject to "democratic discussion", whilst muting potential critics. In this instance, several charities represented on the Disability Benefits Forum quit, complaining that the government had ignored their recommendations. Last week's revolt won support from Labour MPs not normally found amongst Blair's opponents because some complain he is also disregarding the views of his own party.

The latest row has, moreover, reopened more long-standing divisions within the Labour Party over the type of welfare reform that is required. When it came to power, Labour pledged a radical overhaul of the benefits system in which it would "think the unthinkable". It would create a "stakeholder" economy, it pledged; a system of pension and social security provisions available to all who paid in.

Right-wing Labour MP Frank Field was placed in charge of drafting up proposals. He came down against introducing means testing, because it would penalise those who had done exactly what the government was exhorting them to do: work hard and save money. Field's criticisms led to him being sidelined, forcing his eventual resignation from the government last year.

Many of Labour's backbench opponents have taken up Field's line. By limiting full disability benefit entitlement to those *without* additional pension provisions, they argue, the government is actually rewarding the "undeserving" at the expense of the "deserving". How are people to be encouraged to make individual provision for unemployment, sickness and old age if they will only lose out in the long-run, they ask? By introducing such changes, the government is only weakening its case.

At first glance the government's measures are indeed riddled with contradictions. But the absence of a long-term coherent policy for welfare is not simply a policy failure. In Blair's plans for the future there is to be no

state entitlement. The list of those considered "not needy" enough will be extended until it includes virtually the entire population. State benefits will be cut to such an extent that qualifying for them will only guarantee individuals and families extreme hardship.

After the vote Blair stressed that the government cannot afford to "give way". Not only are massive public spending cuts essential to attract international investment to Britain and meet the criteria laid down for entry into the European Monetary Union, but they will now also have to be revised upwards to cover the cost of Britain's military spending in the Balkans.

This demands the destruction of what remains of the post-war system of universal benefits. On this fundamental issue, the majority of Blair's new-found opponents do not disagree. There is a dispute based only on the tempo and tactics necessary to pursue such a policy in the face of a hostile public reaction. It is also mixed with a degree of hostility towards a leadership that has sidelined them within their own party.



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