

Labour's "anti-poverty" audit aimed at final dismantling of British welfare state

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The latest policy document from the Blair Labour government—*Tackling Poverty: Providing Opportunities for All*—has been hailed as a "landmark". The first report of an annual "poverty audit" is supposedly in line with Prime Minister Tony Blair's pledge that his government will eradicate child poverty by 2020.

Launching the document, Social Security Secretary Alistair Darling said it heralded "the most far-reaching campaign against poverty since Beveridge ... for the first time a government is standing up to be counted setting specific standards against which we will be judged tackling poverty and its causes."

Such bold claims deserve careful examination. The "Beveridge Report" laid out the foundations of the post-war welfare state system that existed in Britain without any real challenge until 1979. It was named after Sir William Beveridge, who chaired the committee set up during the wartime coalition government to examine social insurance schemes.

Published in December 1942, *Social Insurance and Allied Services* became the basis for a system of universal state-run insurance, paid for by employers, employees and government. Its stated objective was to eliminate "want" by government establishment of a social safety net—a minimum subsistence income—below which no one would be allowed to fall.

The proposals were part of a broader political framework adopted by the British ruling class to ameliorate class antagonisms. This centred on a limited redistribution of wealth from rich to poor, through progressive taxation schemes.

The Conservative government of 1979 marked a fundamental break with this social reformist agenda. As part of their free market policy, the Tories sought to undermine the benefit system and ensure a redistribution of wealth back to the rich. Whilst it achieved no small success on both fronts, it proved unable to wholly

eliminate the state-backed "social safety net" in the face of mounting unpopularity. As government policy and economic restructuring increased unemployment and social deprivation, the numbers eligible for welfare assistance rose exponentially. By the end of 18 years of Tory rule, overall public spending had fallen by just 4 percent.

Today, some 12 million people in Britain are officially designated as living in poverty, of which 4 million are children. Big business and the rich regard the maintenance of the universal benefits system as an intolerable tax on their own wealth and profits.

Labour's turgid 178-page document is a declaration of intent to finish dismantling the welfare state. At the centre of this lies the overturning of the conception of welfare provision as a universal right. Prime Minister Blair's favoured theme is that of "no rights without responsibilities". This means that civil liberties and access to social provisions are increasingly determined by individuals and their families obeying government dictates. Benefits are to be paid only if an individual meets certain requirements; council housing will be allocated only to the "deserving", etc. According to Blair, moreover, the role of government is not to provide, but to "facilitate".

The report states that the current benefit system "has become part of the problem; not the solution". Its answer is to create a "pro-active" welfare state aimed at "getting people off benefits and into work". Threats to withdraw assistance are a prime means through which this is to be achieved. The document is filled with references, every three or four pages, to government initiatives such as the "New Deal" work-for-your-dole scheme.

Two of the four main points on which Labour says it wishes to be judged are in the reduction of the proportion of children living in households without a wage earner, and the proportion living in households with "relatively

low income". This is shorthand for reducing the numbers in receipt of social security—not for raising living standards.

Whilst the report lists 40 indices of poverty and social exclusion, the pitiful rate currently paid in welfare benefits is not mentioned. Social security payments have been undermined to such an extent that current allowances give a family of four £30 a week less than what independent experts consider the minimum needed for survival. This undermining of benefit rates is one of the primary causes of poverty, especially amongst children.

Labour's "welfare to work" policies centre on expanding the supply of a cheap labour workforce. The "working families tax credit" underscores this approach. The new tax credit is aimed at those having been forced off benefits, particularly mothers, who must take up low paid work. The government has triumphantly declared that this scheme will ensure a minimum income of £220 a week for a family of five, in which at least one adult works. In effect, Labour has created a new and even lower subsistence level. An amount that is less than that paid at current unemployment benefit rates is now defined as an acceptable income for a working family.

Besides forcing parents into low-paid work, Labour's only proposals for eradicating poverty amongst children are aimed at streamlining existing social services. Its "Sure Start" scheme, aimed at children up to the age of four living in deprivation, simply co-ordinates the response of health, education and other agencies, supposedly in order to promote issues such as healthy nutrition during pregnancy and cutting the number of teenage pregnancies. Similarly, the education system is to be adapted "to the changing labour market", so that the numbers of 19-year-olds with "two A-levels or equivalent" are increased.

The government's stated intention of reducing the unemployment roll is therefore to be achieved at the cost of expanding the ranks of the working poor, a process that is already well under way. Labour thinks it can mask this fact by arbitrarily creating a new definition of poverty, in which it is not so much money that the poor lack, but "opportunities to improve their position". The report even states that periods of "low income may not damage an individual's well-being or their prospects in the longer term". Social Security Secretary Darling repeated this when he stated that poverty today "is complex. It's not just a simple problem about money, to be solved through cash alone". Blair's pledge to eradicate child poverty is based

on a sleight of hand. Like a crooked businessman, Labour intends to cook the books by introducing different statistical criteria.

The new policy document was released amidst reports that the government is expected to have built up a £12 billion surplus over the course of this parliament. This has been achieved through a massive increase in indirect taxation and a freeze on public spending. Yet neither this announcement, nor the government's policy report, caused any serious critical comment. Whilst some sections of the media cautioned Blair that his anti-poverty pledge may backfire, the majority praised the changes and urged more. Writing in the *Guardian* on September 29, Carey Oppenheim waxed lyrical that the report had set "an ambitious and radical agenda predominantly driven by the treasury which sees work as a route out of poverty; a role for redistribution via tax credits and a stronger emphasis on the responsibilities of claimants through tougher sanctions and firmer action on fraud".

An insight into the social outlook of the layer upon which Labour rests—a small but vocal coterie of former liberals, ex-radicals and disgruntled Tories—was summed up by *Independent* columnist David Aaronovitch, a former leader of the Young Communist League. On September 17, under the headline "A full wallet doesn't mean you have a soft head", Aaronovitch vented his spleen against two beggars that had dared to take up residence in his home town, and a group of poor children in British cities whose plight had been highlighted in a recent BBC documentary, *The Eyes of a Child*.

Redistributing wealth towards the poor is futile and useless, Aaranovitch wrote. It would simply mean lining the "pockets of pushers, publicans and betting shops". Having watched the documentary, he continued, "I cannot have been the only one whose treacherous *alter ego* whispered 'eugenics' in their mind's ear".



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