

Britain: Welfare Reform Act to force sick and vulnerable into work

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The draconian measures laid out in the Welfare Reform Act 2007 are now being implemented in Britain by the Labour government of Prime Minister Gordon Brown. The Act represents a wide-ranging attack on millions of the poorest and most vulnerable people who rely on Incapacity Benefit (IB). Recipients of the benefit are deemed unable to work due to poor physical or mental health.

Under the new legislation, their entitlement to financial support is being replaced with new, conditional Employment and Support Allowance (ESA). From November, those registering for the first time as too sick or unable to work will only be entitled to ESA, whereby payments are determined by national insurance contributions, and are subject to means testing. All existing IB claimants will then be transferred to the ESA.

The main aim is to force people into work under threat of poverty. The government has stated it intends to cut the number of Incapacity Benefit claimants by 20,000 each year.

Attacks on welfare have been a central plank of Labour's policies since coming to power in 1997. Unemployment benefit has been restricted and Lone Parent Benefit reduced.

The government has stated that 2.4 million people currently receive Incapacity Benefit and that up to one million should not be entitled to it. This figure is actually a distortion as statistics from the Department for Work and Pensions (DWP) show that only 1.4 million of the 2.4 million unable to work due to illness actually receive any additional payment. The rest receive standard national insurance credits only.

Since the measures were first mooted in 2006, a campaign based on demonising Incapacity Benefit claimants has swung into operation. This has been fuelled by incessant media scare stories about Incapacity Benefit "scroungers", "spongers" and "cheats" who claim the benefit "fraudulently" instead of working.

According to recently published research, the number of cases of Incapacity Benefit "fraud" is so low it is almost impossible to measure accurately. It is estimated to account for less than 0.3 percent of total Incapacity Benefit payments.

The tabloid press would have us believe that recipients of "generous" Incapacity Benefit live a life of luxury. But those who are on the benefit are among the poorest people in society.

Basic Incapacity Benefit payment ranges from £63.75 on the "short-term lower rate" to £84.50 on the "long-term higher rate." Research conducted by the Joseph Rowntree Foundation in 2004 found that claimants on Incapacity Benefit and or Disability Living Allowance/Income Support met only 28 percent of the costs of people with low-medium needs, 30 percent of the costs of people with intermittent/fluctuating needs, 35 percent of the costs of deaf people and people with visual impairments and 50 percent of the costs of people with high-medium support needs.

On April 4, the *Daily Express* ran a sensationalist headline "Outrage At £8.5m A Week For Jobless Junkies And Winos," claiming that "Taxpayers are forking out £8.5million a week in benefits to support jobless drink and drug addicts."

The article cited statistics from the DWP revealing that 51,410 people whose medical record included a diagnosis of alcoholism received long-term Incapacity Benefits. The figures also showed that a further 49,890 on Incapacity Benefit were drug addicts.

That so many people, including young people, are victims of alcoholism and drug addiction is a societal problem—not only an issue of dependency, which constitutes a genuine illness that causes untold suffering. The turn to alcohol and drugs is exacerbated by the steady erosion of stable job opportunities, the decline of many industries, and decreasing access to quality education, health care, and to drug treatment programmes.

Most of those in receipt of Incapacity Benefit reside in inner city areas in London, the North-West, the North-East, Scotland and Wales. Many of these workers would have previously been in secure, relatively stable jobs in industries like mining, steel and shipbuilding. Over the past 25 years these jobs have been decimated, with millions forced into lives of poverty and the attendant problems such as debt and ill health.

Currently claimants have to pass a rigorous "personal capability assessment" (PCA) in order to qualify for IB. A new "work capability assessment" is to target all Incapacity Benefit claimants, with only the terminally ill excluded from the requirement.

Under the remit to "focus on what people can do, not what they can not," a distinction will be drawn between "being eligible for benefit and being capable for work." If it is found

that the claimant is capable of doing *some* sort of work, they can receive benefit only on the condition that they retrain and look for work. The penalty for not doing so will be the loss of benefit.

Under the new rules, eligibility for benefit will be decided on a DWP doctor's evidence and "capability for work" could be assessed by other unspecified "health professionals".

At present, the severely mentally impaired are exempt from being assessed. Under the new measures, these claimants are required to be assessed and have to agree to look for work in order to qualify for ESA. They are also obliged to attend courses to improve "employability." They will also be compelled to "manage their health" in work and undertake therapy for their mental health problems.

In order to speed up the number of claimants denied benefit payments, doctors and "care teams" will be directly involved in ensuring that their patients are removed from IB and forced into employment. The Welfare Reform Act follows proposals made in 2005 to allow "employment advisors" from Job Centres to be based in doctors' surgeries. The pilot schemes began in 2006 in six areas of the UK.

The Conservative Party has proposed its own assault on Incapacity Benefit. In January, Shadow Work and Pensions Secretary Chris Grayling announced what he termed "revolutionary" welfare proposals.

Under a Tory government, anyone who failed a "work capability" test would automatically lose their entitlement to Incapacity Benefit. They would then be placed on Job Seekers Allowance, immediately resulting in a welfare payment cut of £20 a week.

The plans also specify that those on IB with the "potential to work" would be referred to "welfare to work" providers. These would include private-sector companies.

In preparation for their welfare announcement, the Tories studied welfare systems in a number of countries, and were particularly praiseworthy of measures taken in the American state of Wisconsin, which had cut the number of people on benefit rolls by 82 percent in three years.

Grayling said of the proposals, "For Britain such an approach marks a revolution in our welfare state. It marks an end to a situation where the receipt of incapacity benefit is an unconditional entitlement. In the future, it will carry with it the responsibility to do everything that you can to get back into work and help lift yourself out of the poverty trap that the benefit can represent for so many people."

The response from the government was merely to complain that the Tory proposal would cost too much to implement. Peter Hain, the Work and Pensions Secretary, said, "The Conservative proposals could cost an extra £3 billion to £4 billion on top of planned spending in this area."

Labour and the Tories agree that public spending must be slashed in order to make the British economy more competitive with its European and world rivals. When the initial bill was

first proposed in 2006, Secretary of State for Work and Pensions John Hutton said the welfare state "must help UK companies succeed in the global economy."

As well as forcing IB claimants into work, the government is also targeting 300,000 more lone parents and one million additional older workers, including those over retirement age.

A critical element in slashing access to benefits such as IB is to facilitate the privatisation of both welfare and employment service. Over the past decade, the private sector has been utilised to step up attacks on the welfare state and to profit from providing services.

A prime example is Atos Healthcare, a subsidiary of a French-based computer firm, which employs 50,000 people worldwide and has annual revenues of 5.4 billion euros. The new Employment and Support Allowance medical assessment system is to be run by Atos Healthcare.

Atos Healthcare was awarded a £500 million seven-year contract by the DWP in 2005 to provide medical advice and assessment services. These include Incapacity Benefit, Disability Living Allowance, and Industrial Injuries Disablement Benefits.

Employees of the company were recruited to be on the technical working groups which drew up the new harsher, Work Capability Assessment. The increased cost of examinations is expected to be in the region of £200 million up to August 2015.

The company also plays a direct role in the provision of medical services. Then known as Atos Origin, the firm won an £8 million contract to operate the first privately run walk-in NHS clinic for local residents and commuters near Manchester's Piccadilly railway station in 2005.

In January this year, Atos won a 10-year contract to run St Paul's Way Medical Centre in Tower Hamlets, East London. The former state-run surgery was one of the first to be taken over by a private company. The Tower Hamlets takeover prompted a demonstration by dozens of doctors, nurses and local residents. One doctor who has worked in the area since 1983 told the BBC, "This practice is in one of the poorest areas in the country. There is overcrowding, poverty and a lot of people who are having difficulties with English. There is a huge amount of ill health. The residents are very angry that their health care is going to be sold for profit rather than for personal care."

In London alone, the government has identified a further 150 GP surgeries that could be taken over and run by private firms.



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