

British government outlines plans to dismantle welfare

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Work and Pensions Secretary Iain Duncan Smith has set out plans for an assault on unemployment and invalidity benefits, as the precursor to a broader assault on welfare provision.

The proposals were unveiled on Thursday as part of the Conservative Liberal Democrat coalitions pledge to slash public spending and make “radical” changes in welfare.

Duncan Smith couched the government’s plans in the language of concern for those “trapped” on benefits. But talk of combating “welfare dependency” and “persistent poverty” is preparation for the impoverishment of ever-broader layers of the working class as the ruling elite utilises the global financial crisis to restructure social relations in its interests.

In his “state of the nation” report, Duncan Smith claimed that the “absurd” benefit system meant that people had no incentive to work. More than 670,000 households were “eligible” for a combination of benefits and tax credits worth more than £15,600 a year, he claimed. People who gave up such benefits and tax credits to take work, which might actually leave them out of pocket, were considered to be “morons”, he said.

The figures given by Duncan Smith—which assume that people claim everything they are entitled to—form only a small portion of the more than six million people on benefits, excluding their dependents. In reality, the vast majority of unemployed aged over 25 receive between £51.85 and £65.45 a week—an annual income of just over £3,000 (excluding help with housing benefit).

Duncan Smith’s figure is, moreover, only half the average (median) annual pay of £25,000 and represents a poverty rate for what will be a fairly large family.

The “state of the nation” report made no reference to

the huge growth of social inequality. Nor the fact that the super-rich massively increased their wealth over the last year—with the top 1,000 adding an additional £77 billion to their personal incomes—largely as the by-product of Labour’s near trillion pound “rescue package” for the banks and major financial institutions

The entitlement of the super-rich to such massive public subventions is never questioned. According to reports, the Conservatives are already making preparations to ditch their commitment to raising Capital Gains Tax on non-business assets after a backlash from investment houses.

It is the social entitlements of the working class, won through major class struggles, that is the target. That is what Duncan Smith meant when he told the *Guardian* that the government had “a once-in-a-generation opportunity”.

The coalition government’s aim, he said, was to continue where Labour had left off, and finally dismantle the post-war welfare state.

“What we want to do is reform the welfare system—in the way Tony Blair talked about 13 years ago, but never achieved—a system that was created for the days after the Second World War”.

To this end, the government intends to drive down benefits and force people into work under pain of sanctions. That it is doing so under conditions in which public spending cuts will push hundreds of thousands of workers into unemployment means that the broader objective is to drive down wage rates even further.

Pledging to make the benefits system “simpler and more transparent so that work always pays”, Duncan Smith said that a new “work programme” will strip the unemployed off benefits if they refuse to take a job offer.

The 2.5 million people in receipt of incapacity benefit

are also to be targeted. “Tougher” medical tests initially planned under the Labour government to drive the sick and disabled into work, are to be fast-tracked by the coalition government to next year.

The new test will assess if those claiming incapacity benefit are capable of taking “desk or administrative jobs or part-time work”.

“So to be fair to the taxpayer, we will cut payments [to the unemployed] if they don’t do the right thing”, Duncan Smith said. “In addition, we will re-assess all current claimants of Incapacity Benefit on readiness to work”.

Duncan Smith bases his plans on Department of Work and Pensions figures suggesting that the nearly all of the UK’s 2.6 million incapacity benefit claimants should be in work. Already, since October 2008, all new claimants for incapacity benefit have been given medicals to see if they able to go to work. These tests found that nine out of 10 new applicants were either fit for work or could be moved towards rejoining the workforce—meaning that they were ready to join a “work related activity group”.

In reality, a BBC Scotland investigation found that “tens of thousands of claimants who are genuinely sick or disabled may have been refused the new Employment Support Allowance”.

The ESA was heralded by government in 2008 “as the answer to the nation’s sick note mentality”, with more stringent criteria than incapacity benefit. But “fast forward just a year and a half, and there are calls for the planned roll-out of ESA to be shelved” because, “The medicals don’t appear to be thorough. They don’t appear to cover the areas that the patients want to talk about, often mental health problems”.

“The medical was always anticipated to be much tougher than under the previous incapacity benefit regime, but the reality has taken even the government by surprise and has found more than two-thirds of sickness claimants fit for work”, the BBC reports.

However, a Freedom of Information request by the BBC revealed that, “ESA appeals are running at about 8,000 hearings a month, which is double the number of the next most commonly appealed benefit, Disability Living Allowance. About 40% of those ESA claimants who do appeal have their decisions reversed”.

The *Financial Times* opined that the “tougher tests” will “test the mettle of the coalition: reclassifying

disabled people as fit-for-work will generate political heat”, and that “given the fiscal constraints, the cost of any far-reaching reform [of welfare] will probably be paid by the poorest”.

But the 1945 welfare system, dismissed as outdated by Duncan Smith, involved not only unemployment benefits. Under the slogan of protecting people from the “cradle to the grave”, its remit included health care, education, pensions and housing.

Much of this has been stripped away over the past two decades, but the coalition government intends to remove what little protection is left.

The government has already set out plans to effectively privatisate state-run schools by handing them over to the private and “voluntary” sector, through its programme for “free” schools and academies.

In his remarks, Duncan Smith made clear that housing benefit, paid to the poorest families, is to be slashed. In addition, he said it was imperative that the state retirement age must be raised in line with “growing life expectancy”.

The coalition has already proposed it should be set at 66 years of age, and Duncan Smith said he was keen to phase out a default retirement age so that people “continue to keep working and contributing”.



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