

Workfare to be imposed in Britain

Chris Marsden
13 November 2010

Britain is being subjected to a savage programme of social engineering, designed to create an economy where millions work for much less than the present £5.93 an hour minimum wage. This centres on plans to introduce workfare for the long-term unemployed, who will be forced to work for their benefit plus a £1-an-hour top-up.

Work and Pensions Secretary Iain Duncan Smith is set to introduce US-style compulsory “workfare”, under threat of withdrawal of benefits to entire families. A new “claimant commitment” will include sterner conditions, notably the threat that unemployed people who refuse community work or the offer of a job may lose their jobseeker’s allowance for three months; if they refuse twice, six months; and three years on third refusal.

The £30 or £40 a week, or £1 an hour, those forced to do such work will receive is one sixth of the present minimum wage and sets a new benchmark that will see it effectively nullified.

The meagre £65 a week unemployment allowance will be removed for three months on a first “offence” of refusing work, six months the second time and three years after a third breach. People will also be subject to penalties for failing to turn up on time or not working hard enough. Those convicted of benefit fraud could also have their benefits stopped for three years. There will be no right of appeal.

The net result will be the mobilisation of the unemployed, including single mothers and over a million of the sick and infirm on incapacity benefits, as a “reserve army of labour”. They will either directly replace existing workers’ jobs or be used to depress wage levels.

This exercise is being sold first of all by whipping up populist prejudice against the supposedly “workshy” and the “feckless”, who are unemployed as a “lifestyle choice”. Prime Minister David Cameron declared that “a life of benefits will no longer be an option”. People “don’t pay their taxes to pay for people to stay on benefit”, he said.

Secondly, the government is packaging the measure together with a pledge to introduce a single universal credit that will replace at least 30 existing benefits, including jobseeker’s allowance, housing benefit, child tax credit, working tax credit, income support and employment support

allowance. This is claimed to guarantee that those who move into work but still need to claim benefits will be penalised less heavily than at present for the wages they earn above benefit level. Presently this penalty can be as high as 90 percent.

Smith also played the anti-immigrant card, saying that it was “a sin” that 70 percent of the extra jobs created over the last 14 years had been taken by immigrants. He claimed that this was because British people were not “capable or able” to do them, when for the most part the issue was they were so poorly paid.

The supposed “carrot” cited by the government is nothing of the sort. “Making work pay” in fact means a subvention to employers who pay poverty wages. As for working while claiming benefits, people coming off welfare into work would still lose 65 pence of each pound they earn on top of their benefit. The *Economist* pointed out, “Even when the universal credit is introduced, claimants earning enough to pay the basic rate of tax will face a marginal deduction rate of 76 percent.” Around 300,000 people in work earning below the tax threshold would also face an actual increase in the rate at which they lose income in benefit abatement and taxes.

An additional iniquity is that the new system will be based on making claims and checking payments online. An estimated 1.5 million unemployed people do not currently have Internet access, according to the government’s own figures.

The provisional timetable for introducing a universal credit will not begin until October 2013 and will not be completed until October 2017. In contrast, punishing those who “refuse” jobs will start immediately.

This potentially will have a direct impact on 5 million people—1.5 million on unemployment benefit, 700,000 single parents and 2.6 million on incapacity benefits.

The chancellor has already cut the welfare budget by £18 billion, which has hit the poor the hardest, including not only the lowest paid but all working families with a household income of less than £30,000, who, after the October Spending Review, are worse off by between £700 and close to £2,000.

The impact was spelled out by the heads of various charities. Oxfam's director of UK Poverty, Kate Wareing, warned that the changes "will expose people to the risk of destitution". Richard Hawkes, chief executive of disability charity Scope, said the "white paper does not address the state of the employment market today, nor take into consideration the reality of people's lives." He said the "regime of sanctions" would affect "disabled people who do play by the government's rules ... Who try repeatedly to get work but are not successful."

Sally Copley, head of UK policy at Save the Children, said, "It is hard to see how Britain's poorest children are going to be helped using sanctions creating a climate of fear. It is children who will suffer when a single mum is told to take a job, but there is not suitable childcare available. It is the children who will suffer when the safety net is withdrawn for three months, living in homes where mums and dads already struggle to put a hot meal on the table or buy a winter coat."

Almost 2 million children are living in workless households.

The full impact can be measured by Duncan Smith's claim that his reforms will reduce the number of workless households by 300,000, meaning at least that many will be forced into low-paid employment. But many more will be forced off benefits because they will be penalised for not taking jobs that are simply not there to take! Duncan Smith asserted that there are 450,000 vacancies for jobs, "even as the country is coming out of recession". But there are 5 million out of work and this is set to rise by at least 1.6 million as a result of the impact of government cuts and an incalculably greater number in the event of a widely expected second recessionary wave.

Even now, the number of long-term unemployed alone has more than doubled since 2008, to 797,000—outstripping by 330,000 the 467,000 job vacancies.

An insight into the long-term aim of these measures—targeting broad layers of workers—can be gleaned from the comments of Professor Lawrence Mead of New York University, one of the main influences behind "workfare" reforms in the US, who was consulted by the government on its planned reforms.

He told the *Guardian*, "People in the UK still think it is normal to go onto welfare. In the US they don't. In the US it is a last resort. ... They wanted me to talk about Wisconsin and New York. They really wanted to know how to do it". The *Guardian* reports that he told the government to change people's "mindset ... so that they do not see welfare as a viable alternative". This had been achieved in the US because benefits have been driven so low. In Texas, for example, the average monthly benefit is around £46 per

person.

There is no precedent for such profound shifts. This would take Britain back to a situation before the welfare state was created, to the conditions that existed during the Hungry Thirties, when people starved on the streets, homeless and destitute. It is equivalent to the "shock-therapy" imposed in the Soviet Union and Eastern Europe following the downfall of the Stalinist regimes—which facilitated an economic crisis twice as intense as the Great Depression.

In the face of this assault, the working class is leaderless. The Labour Party has pledged its backing for workfare, with Shadow Work and Pensions Secretary Douglas Alexander declaring, "We support the underlying principle of simplifying the benefits system and providing real incentives to work"—barely bothering to add the caveat that there must be jobs for people to take up for the scheme to work.

Meanwhile the trade unions continue their efforts to prevent any opposition to the government being mounted. Duncan Smith made his announcement the week after the Fire Brigades Union called off the strike by London firefighters and the same week as further strikes by BBC journalists were cancelled. The Trades Union Congress is not mounting a national protest against the government's £83 billion cuts until March 26 next year.

The struggle against austerity must be waged as a united offensive to bring down the hated Tory/Lib-Dem government and replace it with a government answerable to working people and pledged to socialist policies. It means rejecting all attempts at pitting one section of workers against another and mobilising the employed in the public and private sector, the unemployed, students and pensioners. Achieving this demands a political and organisational break with the rotten organisations of the misnamed "Labour Party" and "trade unions" that are more properly understood as a specialist arm of management in disciplining workers into accepting "sacrifice".



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact