

British Labour backs welfare benefit cuts

Robert Stevens
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In its autumn mini-budget last week, the Conservative/Liberal Democrat government announced a new raft of drastic welfare cuts totalling £14.2 billion, in addition to the £18 billion already implemented.

This follows the £155 billion in austerity cuts outlined by the coalition since it came to office in 2010.

One of the measures planned is to raise certain welfare benefits by just 1 percent for each of the next three years, rather than in line with inflation. This ensures that already pittance benefits will no longer have any link with overall living standards, as measured by inflation. It amounts to a cut in real terms of £3.6 billion in the incomes of the poorest people, meaning the poorest fifth of families will lose an average of £950 a year each.

This policy of mass austerity is one shared by the Labour Party. A loyal tool of big business, in government Labour initiated the assault on social provision, following its £1.2 trillion bailout of the banks in the aftermath of the 2008 global financial meltdown.

This is why even the mere suggestion that Labour should at least attempt to adopt some guise of opposition to Osborne's brutal assault on welfare recipients has created a political crisis in its ranks.

The coalition is to put forward legislation in parliament January to sever the indexing of welfare benefits to inflation. When asked if Labour MPs would oppose the measure, senior figures of the party, including its leader Ed Miliband, shadow chancellor Ed Balls and shadow health secretary Andy Burnham, refused to commit the party to voting against.

A snippet of the "debate" in the Labour Party, published in the *Observer* newspaper last Sunday, over the issue of the upcoming vote, only further stamps Labour as a right-wing organisation, deeply hostile to the working class.

The newspaper reported that some four days after Osborne's statement, "Senior Labour figures stopped short of confirming that Labour would vote against the cuts in the Commons in January. But it is understood that unless fundamental changes are made to the coming welfare uprating bill, Miliband will be prepared to give the order."

It added, "One senior Labour figure said there were still tensions inside the party, with a caucus of 'new Labour' figures believing it will be politically suicidal to leave the party open to charges that it sides with 'scroungers' and is in denial over the need to cut the benefits bill."

Such is the brazen assault on the living standards of millions of working people, that the Labour Party was forced to publish new figures detailing how the government's tax measures equated to giving 8,000 rich individuals earning more than a million a year an average of £107,500 each from next April. It speaks volumes about Labour and its allied trade unions that not a single figure has feigned any defence of millions set to be further pauperised.

Instead, Labour utilised the autumn statement to assure big business of its own credibility as the party prepared to enforce the harshest attacks against so-called benefit scroungers.

Writing for the billionaire Rupert Murdoch's right-wing *Sun* tabloid, Balls commented, "Of course, after the global financial crisis, every country had to put in place a plan to get the economy back on track and the deficit down. That would have meant difficult decisions on spending cuts, tax rises and pay restraint under a Labour government, too."

With the UK mired in deepening recessions and unemployment heading to three million, Balls assured Murdoch, "I am clear that those who can work should work—no ifs or buts. That means requiring people who are out of work to take a job—or face losing benefits".

The same day, Miliband told the *Daily Mirror*, “We have said that all young people should be offered a guaranteed job after a year and should not have the option of refusing to work. We should be tough on the minority who can work and try to avoid responsibility.”

It wasn’t until nearly a week after the autumn statement that the Labour Party finally said it would consider opposing the government in the January vote, whilst placing every caveat possible on such an eventuality. Addressing parliament, Balls said, “We will look at the legislation but, if they intend to go ahead with such an unfair hit on middle and lower income working families while giving a £3 billion top rate tax cut, we will oppose it”.

Balls cynically announced that Labour would instead propose that benefits rise by up to 2.2 percent instead. Such a measure would still result in benefits being slashed as inflation nears 3 percent.

Labour’s response must be understood in the context of drive of Britain’s ruling elite to eliminate welfare state provision.

This year marked the 70th anniversary of the 1942 report by William Beveridge, the economist and former Liberal Party MP, that laid the basis for the foundation of the UK’s post-war welfare state. The “Beveridge Report” called for the slaying of the “five giants” of disease, ignorance, squalor, idleness and want. Its proposals were enacted by the first post-war Labour government headed by Clement Attlee, which determined that without major concessions, social revolution was in the cards.

Today, the capitalist class everywhere is seeking to extricate itself from its crisis through a social counterrevolution, aimed at a fundamental restructuring of economic and class relations. Every social gain ever won by the working class, including each and every basic welfare state provision is being destroyed.

Noting the anniversary, *Financial Times* columnist Janan Ganesh commented, “The UK’s problem is not a hasty disavowal of the post-war settlement but, if anything, a squeamish reluctance to question it.”

The largest programme of austerity since the Second World War would still “leave the state occupying about 40 per cent of gross domestic product”, he wrote. But “[T]he country is up against emerging economies that (at least until their middle classes start demanding generous pensions and public services) do not have to

fund expensive welfare states and can set their tax rates accordingly.”

The country needs an “equivalent” of the Beveridge report, “from the opposing perspective—a strategic vision of the state that seeks to gradually contain its cost by narrowing its ambition.” Like Beveridge, this should be a bipartisan effort, he concluded.

“Welfare spending, essentially the bill for social failure, remains the single largest item of the national budget,” he added. Chris Skidmore is a Conservative MP and a member of the Free Enterprise Group, which has authored a report titled, “A New Beveridge”. It argues, “Over the next few decades, the current welfare state will become unsustainable. *We need to come to terms with the fact that the universal welfare state is over*: a radical refounding of the relationship between the individual and the state is necessary [emphasis added].

Skidmore used the columns of the right-wing *Daily Telegraph* to demand an end to jobless benefits for those who have not worked and paid enough National Insurance contributions.

He states, “People over 25 without a contribution record should be obliged to join the Work Programme or an alternative welfare-to-work scheme within three months of beginning to claim....” For those who have not paid contributions “for a certain period, perhaps five years, unemployment benefit should be in the form of a repayable loan.”



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