UK: Labour Party targets unemployed youth for benefit withdrawal

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The opposition Labour Party will end the entitlement to unemployment benefits for those aged between 18 and 21 if it comes to power, leader Ed Miliband announced.

The punitive policy means that youth without A-levels or equivalent qualifications would lose their income unless they enrol in vocational training courses. Only those with qualifications would retain the right to claim Job Seekers Allowance (JSA).

The new "youth allowance" would be no greater than the miserly £57 doled out weekly to one million unemployed young people in Britain. It would be means-tested, paid at a rate proportional to parental income. The allowance would be reduced for those from families earning over £20,000 and barred to those above £42,000. The average salary in the UK is £26,000, according to official figures.

The allowance is similar to the Education Maintenance Allowance (EMA), a means-tested £30-per-week stipend to youth in further education that was scrapped in England in 2011 by the Conservative-Liberal Democrat government.

The changes would affect approximately 100,000 young people and save the government around £65 million.

YMCA England head Denise Hatton criticised the plans. "We know from our own research that Jobcentre Plus is simply not fit for purpose when it comes to helping those young people who are looking to start their career but do not have the appropriate level of skills," she told *Children and Young People Now* magazine.

There is a shortage of training opportunities and apprenticeships, many of which are of low quality or short duration. "Our concern is with the quality of the training which would be on offer and we need to avoid a situation where young people are forced onto inappropriate courses as opposed to gaining the skills they need to move into the workplace," said Hatton.

Less than 10 percent of school-leavers enrol in apprenticeships. These youth are often unable to enter their chosen career due to lack of jobs.

The plans follow Labour's recently announced "jobs guarantee" scheme, where long-term unemployed youth will be forced onto six-month workfare programmes under threat of losing their income.

Miliband also announced broader changes to make the benefit system conditional on previous tax contributions. Only those who have paid National Insurance for over five years, instead of the current two, would be entitled to the full Job Seekers Allowance rate.

Miliband's announcement met a warm response in corporate circles. British Chambers of Commerce policy director, Adam Marshall, told the *Financial Times* that the sanctions are "attractive" to business and would "tackle the confidence gap between young people and firms."

Ending the right of young people to claim unemployment benefit is part of broader austerity plans.

Miliband announced the proposal at the launch of a major policy study by the Labour-linked think tank, the Institute for Public Policy Research (IPPR), last week. Their report, *Condition of Britain: Strategies for Social Renewal*, attempts to give a "progressive" veneer to a right-wing agenda that will gut the welfare state and impose austerity on millions of workers.

According to IPPR head Nick Pearce, "Gone are the days when economic growth could generate enough resources to redistribute income without making painful choices. Even with a different economic

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agenda, there is little prospect of any government elected in 2015 spending its way to greater equality."

Pearce said it was unrealistic for a Labour government to "tax a little more and cut a little less, leaving the architecture of the state untouched and the current framework of services and social security in place."

The report argues that the state must curtail the direct payment of welfare benefits and tax credits and focus on social services provision instead.

The IPPR report received strong backing from Jon Cruddas, Labour Party policy coordinator. Writing in the *Guardian*, he said, "Whoever wins in 2015 there will be more cuts to come."

He called the IPPR report the biggest change in Labour policy since the launch of New Labour. "We need radical transformational change in the way our country governs itself to meet the challenges ahead... Big state top-down solutions won't work," Cruddas said.

This right-wing rhetoric—that chooses to ignore the fact that the rich are getting ever richer and being taxed less by the day—is meant to legitimise an assault on the basic social rights of the working class. Miliband based his plans on the claim that the welfare state must be returned to its original "contributory principle," i.e., that allocation of social services is not determined by social need, but by what you pay in.

"Rewarding contribution was a key principle of the Beveridge Report," Miliband said about one of the founding documents of the post-war welfare state.

With its creation of the welfare state, the British ruling class implemented a system of palliative social measures to smooth over the acute class tensions of the post-war period. Its reforms were based on a certain level of income redistribution that never challenged the wealth of the British oligarchy.

Since 1979, the application of the "contributory principle" has been a longstanding demand of the most right-wing sections of the ruling class as a means of destroying these reforms. These demands have been enthusiastically adopted by Labour. Miliband's recent announcement has also won support from Frank Field, welfare minister under the Labour government of Tony Blair.

Labour's right-wing shift is draped in the garb of nationalism, with Miliband stating that the contributory principle is "a key intuition of the British people."

Cruddas said, "Nineteen forty-five, 1964 and 1997 prove that Labour wins when it is patriotic and when it speaks for a radical and promising sense of national renewal. With *The Condition of Britain*, the IPPR has provided us with an invaluable resource to achieve our ambition," Cruddas concluded.

Cruddas is one of the leaders of Blue Labour group, which seeks to move the Labour Party even further to the right by adopting the "One Nation" nationalism traditionally associated with the Tories, under the slogan "Flag, Faith and Family."

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