

UK minister signals further welfare cuts ahead of 2015 general election

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Work and Pensions Secretary Iain Duncan Smith gave a keynote speech this month on the continuing dismantling of the welfare state, titled “Getting Britain Working.”

The central feature of the Conservative Party minister’s speech was to promote the coalition government’s overhaul of the social security system, carried out over the last four years, which he linked with the drive for increased competitiveness by Britain against its economic rivals.

The logic of his remarks was that the attack on welfare must be deepened. This comes ahead of key election pledges anticipated over the next few months by the Conservatives in the run up to the general election in 2015.

Measures under consideration include a reduction of the current welfare benefit cap of £26,000 per year by 10 percent for people living outside of London and the South East, as well as cuts to child benefits.

Chancellor George Osborne has already committed an incoming Conservative government to further reduce welfare spending by £12 billion in its first two years. This would be on top of welfare reductions already in place, which are projected to reach more than £15 billion per year by the end of the Conservative-Liberal Democrats’ five-year term of office in 2015.

Smith referenced China and India as the benchmarks for productivity and competitiveness, illustrating that a further dismantling of the safety net would leave little intact from the postwar welfare system.

The proposed welfare cuts are in keeping with the restructuring of social relations throughout Europe and the policies dictated by the financial and corporate elite in the wake of the 2008 economic collapse to reverse all social reforms. Citing German Chancellor Angela Merkel, Smith stated, “Europe today constitutes a little

more than 7 percent of the world’s population and generates 25 percent of global GDP, but it needs to finance 50 percent of all global social spending.”

After alluding to further tax cuts for business, Smith continued, “[T]he core and point of the economic plan isn’t about faceless businesses and corporate entities nobody can touch or feel. No. The core and point of an economic plan, the driving force of such a plan, is the quality of the people who make it happen—the British people.... By bringing security and hope to families who have lost their jobs and who never had jobs, we put people at the heart of the plan.”

This is a version of reality few outside of Westminster would depict and fewer still would recognise.

Duncan Smith presented the cause of poverty as a work shy underclass and a “dependency culture”, which the government was overcoming through reducing welfare payments and getting people back into work. He combined the scapegoating of the unemployed with anti-immigrant rhetoric, claiming that the curbing of immigration has led to more new jobs being filled by British natives.

The government’s welfare benefits “reform”, beginning in 2010, has involved over 40 different reductions in social security, with the largest attacks introduced in April 2013. These include the so-called Bedroom Tax, the household welfare cap, the abolition of council tax benefit and the replacement of the Disability Living Allowance (DLA) with Personal Independence Payment (PIP). Later that year saw the rollout of Universal Credit—aimed at wrapping seven means-tested unemployment benefits and tax credits into a single payment.

Analysis of the cumulative impact of these benefit cuts since May 2010, commissioned by the Local

Government Association (LGA), established that households claiming benefit will on average be £1,615 a year, or £31 a week, worse off by 2015/16. This excludes the impact of Universal Credit.

Some 45 percent of households of working age receive one of the main state benefits. The LGA estimate that 59 percent of all welfare reform reductions fall on households where somebody works. The reductions for working households are greater than the reductions in households not in work. Benefit cuts have been imposed on the back of a harsh regime of sanctions. The impact on the poorest and most vulnerable sections of society has reached intolerable levels.

Unsurprisingly, the term “food bank” did not receive a mention from Duncan Smith. The Trussell Trust, the charity which coordinates the largest network of more than 400 food banks, fed more than 900,000 people over the past year, a third of them children. The figure for 2010 was 61,000. The Trust reported in 2013 that changes to the welfare benefit system were the most common cause of people having to turn to them for assistance—either through changes to crisis loan eligibility rules, delays in payments or Job Seeker’s Allowance sanctions and sickness benefit reassessments. Up to half were related to benefits being delayed or cut.

Based upon the most up-to-date government figures, there are 13 million people—one in five—living in poverty in the UK. Over half the children living in poverty are in working households where at least one parent has a job. While Duncan Smith cited figures with regard to the reduction in the number of workless households, he had nothing to say about the growth of the working poor, which is the government’s unstated aim in welfare cuts.

Those in receipt of unemployment benefit face the threat of having their meagre benefits stopped if they are deemed not to be trying to find work. In 2013 alone a total of 871,000 people were penalised by having their benefits partially or fully withdrawn for a minimum of four weeks, rising in some cases to three years.

The government’s cuts to disability benefits have been even more devastating. The replacement of Disability Living Allowance with Personal Independence Payment last year was targeted at

removing entitlement from 500,000 people. All new entrants were placed on PIP, while existing DLA claimants faced reassessment by 2017.

ATOS Healthcare—the IT and consultancy transnational contracted to oversee work capability assessments—imposed tests that wrongly identified up to 158,300 people as fit for work. According to the government’s own figures, some 1,300 people died after being pronounced fit for work and 2,200 died while waiting for assessment results. Earlier this year ATOS Healthcare agreed a settlement to end its contract with the government a year early, with nobody held accountable.

Labour’s response to Duncan Smith’s speech was to try and outdo the coalition as the genuine party of fiscal discipline, able to bring down welfare spending. Rachel Reeves, shadow work and pensions secretary, stated, “David Cameron’s government has failed to control social security spending and is set to overspend on welfare by a staggering £13 billion.”

Labour is committed to upholding Tory welfare cuts for the first year if elected in 2015. In January, Shadow Chancellor Ed Balls said, “Labour will have to make cuts and in 2015-16 there will be no more borrowing for day-to-day spending.”



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