The welfare state at 60

Paul Dornan considers the up and downs of social change since 1948, championing the need for a renewed sense of purpose in social policy research.

Over the post-war period, Britain has changed markedly. The population has grown slightly and it has aged – there are fewer children and more older people; family size has fallen; the age of marriage has increased, fewer people get married and cohabitation has increased; the age of women giving birth has risen; divorce rates have increased, as has lone parenthood; the size of some ethnic minority groups has increased; employment has fallen and risen again.

These factors have also had varied effects on poverty. As poverty risk rises with family size, fewer large families around would imply less child poverty. Delayed family formation probably reduces poverty, since earnings tend to be lower for younger people. The rise in the number of lone parent households has increased the high risk of poverty. Belonging to an ethnic minority (in particular Black or Bangladeshi/ Pakistani) is associated with a greater risk of poverty, so an increasing non-white minority ethnic population is likely to increase the poverty rate.

However, it’s inadequate to say that because there are more lone parents in the population child poverty will rise. Rather, child poverty rises because there is insufficient protection against child poverty.

Since 1961, Britain has got much richer. The shaded area on Chart 1 shows the rapid growth in real incomes which, coupled with greater access to affordable goods and services, has meant living standards have grown. However, income inequality and relative poverty have grown. It is instructive however that in the 1960s and 1970s real incomes rose without increasing poverty – so there is nothing inevitable about rising inequality in a growing economy.

Studying the growth of relative poverty is critically important in understanding the opportunities which the poorest have in our societies today. Britain’s economy mediates chances through the market, and even in areas such as education, health or access to justice, poverty and affluence determine inequality of opportunity.

Before the late 1970s, overall poverty and child poverty were largely steady. In the 1980s, inequality was evident for all groups in society. The risk of child poverty began to fall again in the 1990s, but the pace has been steadily diminishing, and in the last two years of data, the risk has decidedly increased.

Where are we now?
Abel-Smith and Townsend said in 19651 that:

…the general assumption that economic and social progress has been sharper and faster than it has actually been is a sociological phenomenon of the first importance which it would be instructive to analyse...

This is no less true today, when inequality is high and popular discourse underestimates poverty. One answer may be social distance – the affluent do not see that poorer people are struggling, both because society is increasingly divided and because its collective imagination views poverty in terms of ‘rags and starvation’, not as the relative problem which research now highlights. Also, as poverty is so stigmatised, people experiencing it may not define themselves as poor, and after years of GDP growth, it is more comfortable to explain poverty as the result of the failings of individuals rather than understanding that we are all responsible for it and for its solutions.

Abel-Smith and Townsend produced a seminal work in 1965 to show that the welfare state had not achieved all it should have. Part of the reason for its impact was its novelty – very little quantitative work had been done to that point on income patterns and trends. In 2008, we are drowning in statistical data, though not always of good quality, nor are the repercussions always understood. What the dearth of this analysis does show is that those who seek social change must uncover what is truly going on. But change needs more than data – it needs campaigning to build pressure for change.

1 B Abel-Smith and P Townsend, Poor and the Poorest, 1965

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The moral case to end child poverty

The creation of the welfare state in 1948 was a crucial development in post-war Britain. It cannot be underestimated, not the least because it was a recognition of the need to combat the social ills associated with poverty and poor health – a need that would be central to the establishment of a truly modern society.

The term ‘welfare state’ was made popular, according to Nicholas Timmins in his book *The Five Giants: a biography of the welfare state*, in the early 1940s by the Archbishop of Canterbury William Temple. Meeting the needs of the poorest was and is an important part of the life of many Christian communities. The problems of poverty are not hidden from the many clergy and other workers who minister to individuals and families who suffer social deprivation, a fact that was not lost on Temple when he coined the term ‘welfare state’.

It is important that, in celebrating 60 years since the inception of the welfare system, we recognise that the problems of poverty have not gone away. In the Diocese of Southwark, which covers all of South London and East Surrey, there are communities which include the very wealthy alongside areas where low income and poverty remains a widespread reality. Local headteachers are familiar to children coming to school without breakfast, because their families are poor.

It is hard to believe that this could be the case in the twenty-first century, but it remains true that there are many individuals and families who fall through the net of social services and welfare support.

The problems of poverty are ultimately those of low income and the lack of resources that make for a reasonable standard of life. It is not just the obvious cases of the asylum seeker and refugee who find themselves caught up in a spiral of social exclusion.

Across South London, there are pockets of poverty where families need both practical and financial support. It is for them that we must ensure that, whilst we celebrate the many achievements over 60 years, we also find ways to bring an end to poverty and social exclusion for good.

The problems associated with poverty must also be faced in a moral framework; a healthy society is one where no one should be poor. It must not only be challenged – it must be eradicated.

In his book *The Politics of Poverty*, published in 1982, David Donnison called for ‘nothing less than a new morality’ in considering how to respond to inequality, exclusion, discrimination, injustice and ‘relative poverty’. The fact that, over 25 years later, this challenge is still relevant, is a reminder that we need to find permanent solutions to assist the poorest into a better way of life.

The moral case for this is unassailable – it is based on the recognition that, whilst fairness is a laudable aim, it is equality in itself that will ensure a healthier and moral society. The Churches are at the heart of all communities, and it is important that they promote a better understanding of the need to combat poverty and its causes.

It is all too easy for discussion of morality to be hijacked by those solely concerned with truant behaviour; the immorality of an unequal society is an equally important and over-arching challenge. The core of the argument is rooted in the question: what kind of society do we really want?

In the 60 years since the foundation of the welfare state, there’s been a great deal of debate about its cost to the nation. The truth is that, whatever is spent, is morally justified. In a society that claims to be mature, successful and wealthy, the injustice of poverty is, in Christian terms, a sin; in secular language, it is immoral.

In working towards an answer, it is important that people of faith and of no faith come together to promote a debate about the immorality of low incomes and poverty. A key theme needs to be justice and the need to ensure that, within a society where wealth is applauded, the focus is shifted to the wider scenario of poverty in local communities.

It remains true, in the words of R H Tawney, that:

*What thoughtful rich people call the problem of poverty, thoughtful poor people call, with equal justice, the problem of wealth.*

The challenge we face is to build on the best of the last 60 years whilst always seeking a better standard for all citizens. The moral case is clear, and it is this that must be fed into political discourse to ensure that, in another 60 years, we can claim to be a nation where justice and equality are at the core of our social structure.
Lack of education, lack of opportunity

In planning for a less divided society, the authors of the 1944 Education Act set out to widen access to education – in 1938, only one fifth of all children received a formal education after age 14. Chief architect of the Act, Rab Butler, aspired to a system of at least part-time education for all young people up to the age of 18. Only in 2015, Butler’s vision is finally and belatedly due.

Despite the aspirations, post-war reforms were far from inclusive. The Act gave rise to a two-tier system of grammar and secondary modern schools, which ‘sorted’ children ostensibly by ability, but more often by class and income. In addition, it led to many children being deemed ‘uneducable’. Such children – about half of them with special education needs – were excluded from mainstream schooling for the next thirty years, until the Warnock Report and the 1981 Education Act introduced multi-agency assessment of children’s learning needs.

Underpinning selection lay a series of assumptions about individuals’ ability and the appropriate form of education for different ‘types’ of learners according to their ‘ages, abilities and aptitudes’. This notion of intelligence was based on the premise that there was a limited pool of individuals of high ability, which the education system should promote. This assumption has had a long legacy. Some of the current resistance to raise the education participation age to 18 derives from this type of attitude – a view of education which prioritises the interests of a social and cultural élite above the needs of more disadvantaged children and young people.

While the instigation of a selective system became the most contentious feature of the Act, perhaps the biggest disappointment was the failure to establish a coherent model of vocational education, to be of equal standing as the academic pathway. Despite thirty years of initiatives to bolster the vocational system, it is still seen as intended for ‘less able students’. To this day, there is a tendency to follow an educational route which adheres to the notion of pre-formulated ‘types’ of learner.

The 1944 Act did, however, value a broader sense of learning, at least in principle. Today, the existence of the Every Child Matters agenda has brought us full circle, back to the over-riding principles of the 1944 Act. But is current policy any more inclusive?

In practice, a focus on the broader purposes of education is still squeezed by the demands of the ‘standards’ agenda, which has dominated education policy over the last two decades. Since 1997, the Labour Government has relied on the extension of choice and competition and an extensive use of ‘top-down performance management’ to monitor education practice. However, greater market forces in education result in schools choosing pupils rather than pupils choosing schools. Also, the Government’s reliance on targets, testing and league tables has focused attention on threshold levels of attainment, at the expense of broader aims of education.

Despite efforts to support the most disadvantaged children and schools through a number of area-based programmes since 1997 (such as the Education Action Zones), the Labour Government has not consistently prioritised the goal of tackling educational disadvantage. With new school data providing a more detailed breakdown of pupils’ test scores than ever before, the gap in formal attainment is more visible – and the Government’s failure more exposed. In the last two years there has been a more explicit focus on narrowing the gaps in education outcomes and on ‘personalised learning’. But the challenge to incorporate a broader view of education inside a genuinely inclusive system and to address the contradiction between competition and collaboration remains.

As the Government has recognised, effective literacy support is essential to combat low achievement, but also to prevent disengagement and social exclusion in later life. It now needs to commit the resources to ensure adequate support is provided to help every child become a confident and proficient reader. There is also an urgent need to provide more support to all parents with low literacy levels, to break intergenerational cycles of disadvantage or unemployment.

In the last few years, the Government’s slow and uneven progress towards its child poverty targets has prompted a renewed focus on schools and education for lifting children out of poverty. To be effective, any strategy to prevent educational disengagement will need to go hand-in-hand with a broad and multi-faceted programme of reform to tackle all parts of children’s lives. But one point is clear at the outset. The priority must be to end child poverty first; no other single policy will have more impact on tackling disadvantage and promoting children’s learning and healthy development.

Louise Bamfield, The Fabian Society

Some of the resistance to raise the education participation age to 18 derives from a view of education which prioritises the interests of a social and cultural élite
What about disability?

The principal financial problems encountered by disabled people were first identified in a 1975 publication, Poverty and disability. First, there was poverty, with large numbers of disabled people living below the poverty line. Secondly, there was the related problem of low incomes, with disabled people’s incomes being relatively low compared to non-disabled people, and their assets, pensions, and consumer durables fewer. Thirdly, there was the gross inequity of provision of income by the state to different categories of disabled people.

A campaign was launched for a comprehensive disability income scheme, which proposed:

- a disablement allowance, payable solely on the degree of disability; and
- a disablement pension, for everyone unable to work because of long-term illness or disability.

There was also a call for adequate provision for carers, both to maintain the incomes for those who were unable to work, as well as to recognise the costs and restrictions involved in caring.

Disability benefits evolution

Attendance allowance had been introduced in 1971 as ‘a comprehensive universal benefit based neither on the compensation principle, nor on the insurance principle, but on evidence of severe disablement, however caused, which requires attendance’. In 1976, mobility allowance was introduced. There were further reforms in 1992, when disability living allowance was created for people under retirement age, bringing together aspects of both attendance allowance and mobility allowance, with additional lower rates of payments for lower levels of disability. These benefits remain similar in structure. Take-up is in the region of 60 per cent.

Disability working allowance was introduced in 1992 to help disabled people boost their incomes whilst in work. This was followed by the disabled persons’ tax credit in 1999, and absorbed into the working tax credit from 2001. All have been bedevilled by chronically low levels of take-up due to torturously complex eligibility conditions. In 1995, disability discrimination legislation was introduced, with reforms in subsequent years. In 2006, the disability equality duty was introduced, requiring public authorities to consider how to implement disability equality in their services and functions and to include disabled people in formulating plans.

The future

The new employment and support allowance (ESA) was introduced by the Welfare Reform Act 2007, as a result of growing concern over the 2.6 million people on incapacity benefit. ESA replaces both incapacity benefit, which is contribution-based, and income support paid due to incapacity, which is means-tested. It uses a more rigorous test of entitlement, the work capability assessment, which has three distinct stages, and will bring about an estimated 10 per cent increase in disallowance rates. But with the number of working age disabled adults living in relative poverty increasing over the last 10 years, this is a worrying trend. The prime thrust of the new benefit is to move disabled people into employment and improve their skills. The Government estimates savings of £1 billion over the first ten years, perhaps revealing the true intentions of these reforms.

The position of parents of disabled children hasn’t been given appropriate consideration by ESA either. With a target to eradicate child poverty by 2020, these children and their families require special and urgent attention. However, the Government proposes that, from 2012, all lone parents whose youngest child is 7 or more will have to claim jobseeker’s allowance and be actively seeking and available for work. This blunt-edged approach fails to recognise the support needs of disabled parents and parents of disabled children, and seems in stark contrast to other initiatives such as ‘Aiming High for Disabled Children’.

An Independent Living Strategy was produced by Government in March 2008. One key proposal was to review how disability living allowance and attendance allowance could improve independent living. There was a view that the budgets for these benefits should go hand-in-hand with social care provision, and be subject to local authority administration. However, given the long-standing problems with establishing eligibility via local authorities, DLA should be paid to compensate for the extra costs associated with disability and must be protected.

Conclusion

Encouraging disabled people to work where they can as the route out of poverty remains a key driver for government policy. With employment rates for disabled people improving there can be some cautious optimism, but for many disabled people benefits are the key source of financial support for extended periods of time, and they are hard to understand, poorly administered and paid at rates that keep millions in relative poverty. The need for a coherent system of welfare provision remains.

Paul Treloar, Disability Alliance
Health: ‘equity’ or ‘choice’?

Since 1945, a vast army of healthcare professionals has been created within the NHS to address the health of children in the UK. However, the agency of these predominantly middle-class professionals is yoked to current public health policies that involve an alliance of biomedical, neo-liberal, psychological and consumerist ideas. The resulting emphasis on individual responsibility, individual ‘behaviours’ and a marketing emphasis on individual ‘choice’, all strip away the social context that shape children’s and families health experiences. Townsend’s work has emphasised, material deprivation significantly affects the life chances of children, and living in poverty, as a child, colours children’s experience of childhood. For us, the numbers of poor children who die each year, or fall ill, demonstrates clearly that poverty affects children’s health.

There has been a disturbing shift in policy to ‘choosing health’, where individual choices about preventive health issues have become central to public health policies, rather than material deprivation and other social determinants of health and disease. Policy interest in families’ preventive health needs has increasingly focused on ‘risk’ behaviour, identifying how practitioners can help individuals change their behaviour, eg, regarding alcohol, smoking, nutrition and sexual practices. However, such an approach is limiting. Factors such as age, generation, migration, disability, ethnicity, sexual orientation, social class and gender often interact to impact upon an individual child’s capacity to learn, change behaviour, or access services. Public health policy is now less about government interventions necessary to tackle wider influences on health, and more about individuals taking responsibility for their own health. Yet individual ‘choices’ are constrained by a range of broader social circumstances, including material deprivation, which health policy does not currently adequately address.

That health professionals sign up so willingly to such policies may not be surprising, given the attitude to poverty in the UK as predominately caused by parents’ ‘reckless’ behaviour, and the fact that the professional leadership of health care is middle class. The occupational cultures that reinforce individual professional obligations and individual careers, within the NHS and within universities, reinforce this narrow idea of public health. In practice, the development of curricula by students, practitioners and academics is often shaped by the emphasis on individual agency rather than social structures. This is often in spite of the evidence about the links between children’s health and poverty which prove that structural and policy responses are required, not individual counselling on how to live poor.

Our concerns are compounded by New Labour’s unrelenting commitment to neo-liberal, free market macroeconomics. Policies are designed to ameliorate inequalities, but not eradicate them. Hence, in spite of high profile, but relatively small scale and piecemeal initiatives such as Health Action Zones, Healthy Living Centres and community regeneration, the rhetoric surrounding inequalities in health has not been matched by consistent action. Also, the trend in health funding and policy is towards an increasing emphasis on sickness services to the detriment of tackling the wider determinants of public health. Furthermore, an individualistic view of prevention, is compounded by the ongoing emphasis on marketisation within public health, which suggests that social marketing techniques, targeting individual ‘consumers’, may be valuable in improving public health. In a sense, such developments are consistent with the neo-liberal values at the heart of New Labour.

Children living with poverty are invariably those in greatest health need within our local communities. To address such embedded and longstanding health inequalities requires a wider politics, beyond the immediate focus on individual ‘behaviour’, or individual health needs. It requires practice, research and education to enable health workers to adopt a politics that can challenge neo-liberal hegemony, and advocate for social justice. Such a politics is required for Government, civil society and the NHS to be fully committed to equity rather than ‘choice’.

Bob Williams and Duncan Randall
Where does poverty live?

Millions of people are driven into poverty and trapped in debt and benefits dependency because their housing costs are too high. 10.4 million people in the UK are living in poverty before their housing costs are paid. 12.8 million are living in poverty after their housing costs are paid. This means that 2.4 million people are driven into poverty because of the high relative cost of their housing.

The cost of housing exacerbates poverty because it eats money that could be spent on healthy food or proper heating. However the real tragedy of housing poverty is that many families trapped in poverty are spending a significant proportion of their household income on substandard, inappropriate accommodation, the effects of which are deep-rooted and long-lasting.

Eleven-year-old Keona lives with his parents and four siblings in a tiny two-bedroom flat. ‘My mum and dad share their bed with my little brother, and my baby brother sleeps in a cot in the same room. We have bunk beds in my room, and I share a bed with my sister and our big brother sleeps in the top bunk.

‘My brother is 15, and he’s always out because he doesn’t like sharing a room with us two and says he wants privacy. I know how he feels. Sometimes being in my house feels like being in prison.’

In Shelter’s Chance of Lifetime report, child poverty expert Lisa Harker uncovered stark evidence of the devastating impact of bad housing on children’s life chances, and warned that the Government is failing a generation of children growing up in appalling housing conditions.

The report examined the ‘housing effect’, and found that children growing up in bad housing have up to a 25 per cent higher risk of severe ill-health and disability during childhood and early adulthood, and homeless children are up to four times more likely to suffer mental health problems than other children.

These are the children whose physical and mental health and well-being are being damaged on a daily basis simply because of the house they live in. They are at risk from asthma due to damp growing on their living room walls, or who have to climb up ten flights of a decaying staircase to their tiny flat where they share a bed with their sibling or parent. For hundreds of thousands more the housing effect might be less shocking, but it is nonetheless harmful. As Keona says, ‘one of the worst things about living here is that I don’t have any time to myself, and nowhere to do my homework. I have to do it in the library, it’s always too noisy at home.’

Nor, indeed, do families in temporary or unfit accommodation have exclusivity of these problems. People who rent their home are more likely to be poor than homeowners because their relative housing costs are higher. However, fifty-six per cent of households living in poverty before they pay their housing costs are homeowners, and more than 40 per cent of children in poverty live in homeowner households. As families desperately try to grasp a share of equity wealth through home ownership, many are stretching themselves too far and are now facing repossession, another housing worry for them and their children.

Sink estates, tower blocks and some local authority housing is much maligned, and quite rightly. However, there is also a lot of very good social housing, provided both by councils and by housing associations. The problem is the scarcity of it – around 22,000 social homes were built last year; there are 79,500 homeless households currently trapped in temporary accommodation.

Because of the desperate shortage of social housing, many of the poorest and most vulnerable households have to find housing in the private rented sector, where much of the worst accommodation is found. Local authorities, stretched to breaking point by decades of under-funding in social housing, often have no choice but to try and house homeless households in the private rented sector, sometimes having to pay landlords public money to do so. This money will be added to the £920 million local authorities already spent on temporary accommodation in the last financial year.

Housing is a cornerstone of children’s lives and their development, and it must also be a cornerstone of the end child poverty agenda. There is no quick fix solution for the 1.6 million children who are growing up homeless or badly housed – a housing market based on wealth inequality cannot be balanced easily. But by investing in social rented homes, as the Government has said it plans to do, we can start to alleviate this significant indicator and cause of child poverty.
Mother, carer, worker

The male breadwinner

In 1944, the British wartime coalition Government accepted responsibility for the maintenance of ‘a high and stable level of employment after the war’ – which meant high levels of employment for men. Post-war social security, income tax and wages policies were firmly based on the model of the male breadwinner supporting a dependent housewife. In his plan for social security, Beveridge explained that housewives were ‘a distinct insurance class’ who upon marriage undertook ‘to perform vital unpaid service’. He assumed only a minority (one in eight) would be in paid employment. While universal health and education services were an integral part of the welfare state, childcare and social care for elderly people remained residual services for those who were poor and without ‘normal’ nuclear families. Care remained the responsibility of women within the family as mothers, daughters, sisters and above all, as wives.

Work for women?

The post-war Government however, did not speak with one voice. The marriage bars which had required women to resign on marriage from the civil service and the professions had been abolished. The welfare state created hundreds of thousands of jobs in health, education and social services and in response to the Ministry of Labour’s exhortations, women joined this expanding labour force in growing numbers. The post-war ‘baby boom’ and higher birth rates of the 1950s and 1960s ensured this expansion was not temporary.

Marriage was no longer expected to remove women from the labour market, but motherhood, or at least married motherhood, was expected to do so. Until the 1980s, theories of maternal deprivation legitimised official policies based on the belief that young children needed to be cared for at home full time by their mother who was ‘not free, or should not be free to take employment’. However, once children were in school aged five, mothers could work part time.

The British Government was able to avoid developing formal childcare services because when full-time workers were needed in the expanding health and welfare services, they were recruited from Commonwealth countries. British mothers were accommodated by the creation of part-time jobs. Indeed, during the 1960s, the Government required schools to create part-time posts. The selective employment tax designed to encourage the more efficient use of labour also spurred the creation of part-time jobs especially in the service sector. In 1950, only one in twenty employees worked part-time (less than 30 hours). This increased to one in six during the 1960s and to over one in four by 2000.

Lone mothers, on the other hand, could be expected to work full-time, placing their children in a day nursery once they were three years old. Until the mid-1970s, when child abuse was re-discovered, lone parents in paid employment used half of all local authority day nursery places, their economic activity rates were higher than those of married mothers until the 1980s and they were more likely to work full time. It was not until the late 1980s that the majority became dependent on means-tested benefits. Until the 1980s fewer than 10 per cent of all mothers with a pre-school child worked full-time while a growing minority worked part-time.

Women have paid dearly for this method of reconciling their family ‘duties’ and the demands of paid work. Part-time employment in Britain has always carried lower pay, less security and fewer opportunities for training and promotion. The gender pay gap for women working part time has remained the highest in the EU, despite the various EU Directives seeking to reconcile employment and family needs. The ‘long hours’ culture which has developed in Britain over the last 25 years disadvantages those who work shorter or flexible hours or take leaves, even though more of the latter are now paid.

Welfare to work – undervaluing care and carers?

The individual citizen worker model which for the past decade has replaced the male breadwinner model means that women, irrespective of their marital status and whether or not they have young children, grandchildren or a frail elderly parent, are now expected to be in the labour market. The solution to child poverty is to be found by the participation of many more adults in the labour market. Formal childcare services have increased but these have not reduced the need for informal care, provided in particular by grandmothers. Social care services for older people are also in crisis, and families are providing more care than ever before. Current employment and social security policies seem not to recognise that family care is a service which is no less vital to society than high employment levels.

When Beveridge set up the welfare state in 1944, he assumed that couples were married, that men would be the breadwinners, and that care was the responsibility of women within the family. The situation now could hardly be more different. Mothers are now expected to be in the labour market – irrespective of their marital status and whether or not they have young children, grandchildren or a frail elderly parent. Hilary Land considers the changing expectations of women and mothers – as carers and as workers – and identifies a current failure to recognise that family care is a service which is as vital to society as high employment levels.

1 The Beveridge Report, 1942
2 J Bowlby, Maternal care and mental health, 1951, p85
3 Ibid., p81
4 A Manning and B Petrongolo, The part-time pay penalty, Discussion Paper No. 679, LSE Women and Equality Unit, 2005
5 J Lewis, Individualisation and the need for new forms of family solidarity, in Knijn and Korter (eds), Solidarity Between the Sexes and the Generations, 2004
The national insurance system of 1948 was a breakthrough achievement for a post-war Britain on its way towards an egalitarian society where everyone had rights as well as responsibilities. John Veit-Wilson stops to consider what 60 years of the welfare state really means – that it has been a long journey, but we still have far to go.

We talk about celebrating the welfare state’s sixtieth birthday this year, but who stops to think what they mean by it? Most people are celebrating the NHS which started in 1948, but a universal health service was only one of the Beveridge Report’s prerequisites for the welfare state, which also included government policies to ensure full employment and family allowances, now called child benefit. What matters is that a welfare state is much more than just a collection of programmes, and the crucial point was, as Dorothy Wedderburn put it, ‘a state commitment which modifies the play of market forces in order to ensure a minimum real income for all’. In a democratic society that means our welfare state making that commitment to us all, even the poorest person. So what we should celebrate is the three Acts of Parliament which came into force in 1948 to implement Beveridge’s recommendations: the two National Insurance Acts (one for unemployment, sickness, pensions and other income needs; one for industrial injuries) and the National Assistance Act. Together with the Family Allowances Act of 1946, these Acts for the first time ensured that virtually the entire population was entitled, according to circumstances, to a minimum level of income.

The 1948 national insurance system is often criticised because its benefits were seriously inadequate and it embodied all the gendered prejudices of its time, but in one key respect it was a beacon whose light has sadly been allowed to fade. What it provided was that everyone paid contributions, call them insurance premiums, and if a contingency such as unemployment, illness, injury, widowedhood or old age occurred to interrupt normal income, then an insurance income could be claimed instead to cover that contingency. In today’s language, everyone had a responsibility to pay their insurance premiums, and if they did so, they had a right to benefit – not the state’s, not charity, not what ‘other people’ had paid for, but what they had paid for themselves and had a right to claim. We take this for granted in private insurance, but then it was like a mutual insurance scheme run by the government on our behalf.

The national insurance system rightly recognised that the risks of illness, injury, old age and premature death may affect all and any of us, as does the risk of losing our jobs when employers no longer find us profitable. So it was a system in which the risks were shared – everyone paid the same contributions and got the same rates of benefit because we recognised our mutual interdependence as a society. It was not then, and never has been, a case of ‘we the taxpayers’ and ‘they the claimants’, since at some stage of life and work we are all taxpayers and all are recipients of what we as insurance contributors and taxpayers have paid for. And it was not a burden to the Treasury – in most years the national insurance fund collected more in ‘premiums’ than it paid out in benefits.

Because the insurance outgoings are misleadingly counted as ‘government expenditure’, politicians have always tried to cut down on the national insurance system, and instead profit-making business has stepped in to offer private pensions and other income maintenance for those who can afford it, leaving the government to treat the remainder once again as before 1948, as residual expenditure on ‘the poor’. But just as it was public pressure that led to the welfare state legislation in the first place, so we should once again demand a national system of income maintenance into which all will pay according to their abilities, with no more contribution ceilings and tax exemptions for rich people. This would allow national insurance benefits, together with decent national minimum wage rates and child benefits, to pay incomes at what the Joseph Rowntree Foundation’s minimum income standards research shows is what people need in order to live free of poverty in the UK today. The restoration of a true welfare state in the UK would be the best birthday present we could give ourselves.

Whose birthday are we celebrating?

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The 1948 national insurance system is often criticised because its benefits were seriously inadequate and it embodied all the gendered prejudices of its time, but in one key respect it was a beacon whose light has sadly been allowed to fade. What it provided was that everyone paid contributions, call them insurance premiums, and if a contingency such as unemployment, illness, injury, widowedhood or old age occurred to interrupt normal income, then an insurance income could be claimed instead to cover that contingency. In today’s language, everyone had a responsibility to pay their insurance premiums, and if they did so, they had a right to benefit – not the state’s, not charity, not what ‘other people’ had paid for, but what they had paid for themselves and had a right to claim. We take this for granted in private insurance, but then it was like a mutual insurance scheme run by the government on our behalf.

The national insurance system rightly recognised that the risks of illness, injury, old age and premature death may affect all and any of us, as does the risk of losing our jobs when employers no longer find us profitable. So it was a system in which the risks were shared – everyone paid the same contributions and got the same rates of benefit because we recognised our mutual interdependence as a society. It was not then, and never has been, a case of ‘we the taxpayers’ and ‘they the claimants’, since at some stage of life and work we are all taxpayers and all are recipients of what we as insurance contributors and taxpayers have paid for. And it was not a burden to the Treasury – in most years the national insurance fund collected more in ‘premiums’ than it paid out in benefits.

Because the insurance outgoings are misleadingly counted as ‘government expenditure’, politicians have always tried to cut down on the national insurance system, and instead profit-making business has stepped in to offer private pensions and other income maintenance for those who can afford it, leaving the government to treat the remainder once again as before 1948, as residual expenditure on ‘the poor’. But just as it was public pressure that led to the welfare state legislation in the first place, so we should once again demand a national system of income maintenance into which all will pay according to their abilities, with no more contribution ceilings and tax exemptions for rich people. This would allow national insurance benefits, together with decent national minimum wage rates and child benefits, to pay incomes at what the Joseph Rowntree Foundation’s minimum income standards research shows is what people need in order to live free of poverty in the UK today. The restoration of a true welfare state in the UK would be the best birthday present we could give ourselves.

Whose birthday are we celebrating?

We talk about celebrating the welfare state’s sixtieth birthday this year, but who stops to think what they mean by it? Most people are celebrating the NHS which started in 1948, but a universal health service was only one of the Beveridge Report’s prerequisites for the welfare state, which also included government policies to ensure full employment and family allowances, now called child benefit. What matters is that a welfare state is much more than just a collection of programmes, and the crucial point was, as Dorothy Wedderburn put it, ‘a state commitment which modifies the play of market forces in order to ensure a minimum real income for all’. In a democratic society that means our welfare state making that commitment to us all, even the poorest person. So what we should celebrate is the three Acts of Parliament which came into force in 1948 to implement Beveridge’s recommendations: the two National Insurance Acts (one for unemployment, sickness, pensions and other income needs; one for industrial injuries) and the National Assistance Act. Together with the Family Allowances Act of 1946, these Acts for the first time ensured that virtually the entire population was entitled, according to circumstances, to a minimum level of income.

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A right to rights

‘Rights and responsibilities’ lie at the heart of the Government's child poverty strategy, and the concept is driving New Labour's welfare reform programme. But has a system evolved where those who have fewest rights have the greatest responsibilities? 2008 sees two big reforms, for lone parents and those incapable of work, which provide an opportunity to consider the question. Edward Graham and Gabrielle Preston look at the new changes and the repercussions for the future.

Introduction

The concept of ‘rights and responsibilities’ has been at the heart of the Government’s child poverty strategy from the word go, and it has been enthusiastically utilised by parties across the political spectrum to justify more stringent welfare to work policies. On 16 June 2006, in a speech to the Social Market Foundation, the then Secretary of State for Work and Pensions John Hutton MP, stressed that ‘Beveridge did not think that security from his five giants could be provided by the state alone. Personal responsibility – empowered by government action – was key to how security could be provided in each area’. However, policies have been put in place that sap both the choices and the rights of the most vulnerable groups at a time when the Government appears to be failing in its responsibilities to ensure that paid employment genuinely provides a route of poverty or to provide financial security for those who are not in work via the benefit system. This article considers some of this year’s new proposals, and considers whether they are equitable or effective.

The changes

At present, lone parents have a right to claim income support until their youngest child reaches age 16. From November, parents whose youngest child is aged 12 or above will lose that right, and will have to claim jobseeker’s allowance. From 2009, this requirement will extend to lone parents whose youngest child is aged 10, and in 2010 aged 7. JSA is a highly conditional benefit with an extensive sanctions regime, and entitlement is dependent on actively seeking and being available for work.

Whilst lone parents will be entitled to JSA on slightly modified terms, the Government has not committed itself to any changes in the law to make special provision for them as jobseekers. Nor has it strengthened their rights to enable them to truly participate in the labour market. For example, there is no right to affordable childcare, to sufficient annual leave to cover school holidays or to an effective statutory ‘better off guarantee’ to ensure work truly is a route out of poverty.

The changes for those incapable of work are just as fundamental. From October, new claimants will only be entitled to employment and support allowance, which contains a number of significant new features. There is a three-month assessment phase, during which claimants will undergo a significantly tougher medical assessment before being allowed on to the benefit proper. Subject to conditionality, they will then have to participate in work-related activity – if they do not, benefit will be cut. Finally, the generosity of the scheme for those who have paid contributions has been severely curtailed: age and dependent additions are abolished and many will receive less money than they would have under the existing incapacity benefit.

It is clear therefore that the rights of sick and disabled persons have been reduced, both in terms of access to the benefit and its rates, whilst the obligations placed on them have significantly increased. Claimants will no longer be entitled to extra benefit to meet the need of their disability simply because they have passed the medical test of incapacity. They will need to demonstrate the right attitude to work.

Rights and responsibilities?

Both reforms are primarily dictated by the need to increase the employment rate rather than any desire to re-shape a reciprocal relationship between citizens and the state. While the OECD’s directive that ‘the UK demands very little of lone parents when it comes to taking steps to get into work’ has been utilised by the Government and others to justify the reforms, they ignore that the UK has a higher proportion of lone parent families, has lower levels of support (especially childcare) and a different skills profile than other countries. Nevertheless, the Government is implementing policies designed to increase employment rates amongst lone parent and older workers by increasing conditionality and reducing incentives to early retirement like ‘over generous’ incapacity benefits. Accordingly, New Labour has set itself a target of reducing incapacity claimants by one million, and of a 70 per cent employment rate for lone parents. As the Conservative Government recognised in 1995, making the test of incapacity much harder is the simplest way of cost cutting and reducing the number of eligible claimants. Lone parents are being forced on to JSA presumably because, from the Government’s perspective, not enough claimants have been volunteering for the New Deal for Lone Parents scheme.

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These punitive reforms are in line with other behavioural policies, such as those relating to anti-social behaviour for housing benefit tenants, and appear to be part of a trend (some might call it paternalistic authoritarianism) to try and influence claimants to act in their own best interest – work. But a simpler analysis is that the ‘rights and responsibilities’ agenda constitutes little more than the thinnest of ideological veneers over neo-liberal policy responses to macro-economic forces.

Ultimately therefore, being incapable of work will no longer be recognised by the state as a valid reason in itself for adequate state support. Disabled workers will get less for their contributions, and continued engagement with the labour market will be required to prevent cuts in benefits. Similarly, the state will cease to recognise the right of lone parents to support from the state. It is engagement with the labour market rather than their role as a parent that will ensure their entitlement to benefit. The security once promised to those who cannot work has been replaced with ‘support’, which is increasingly conditional and under threat for those sections of the community who are most vulnerable.

**Conclusion**

The Government’s expectations of lone parents and disabled people have increased at a time when research suggests that it is failing to fulfil its side of the bargain: to deliver affordable, accessible high quality childcare, to ensure that work provides a route out of poverty, and to provide financial security for those who cannot work. Problems with poor health, inadequate housing and an educational system that is wracked with inequalities continue to be compounded by discriminatory employment practices which either exclude or exploit the most vulnerable workers and a benefit system that does not protect families from poverty. The Government has recently outlined ‘the beginning of a “contract out of poverty”’, in which it promises ‘to provide the support to families, to close the gaps in opportunities and achievements for poor children, and to provide financial security for those who temporarily or permanently cannot work… but looks to families to make a commitment to improve their situations where they can and to take advantage of the opportunities on offer.’ For the moment however, the Government is failing in its statutory responsibility to protect the poorest groups from the poverty, poor housing and educational exclusion that blights children’s lives. These reforms are likely to hit the most vulnerable parents, and may well generate an increase in poverty among children who need the state’s protection.

1 Social Security (Lone Parents and Miscellaneous Amendments Regulations) 2008, currently subject to consultation by the Social Security Advisory Committee.

2 Introduced by the Welfare Reform Act 2007.