

THE WELFARE STATE: UPDATE

Source: Tanya Hope

WELFARE CHANGES: A radical shake-up of the social security system was obtained in the 1986 Social Security Act. The idea was to shift payments to where they were most badly needed. In 1994 the Joseph Rowntree foundation published a report on the impact of the changes since their introduction in 1988. The winners were the elderly, families with children, and those with long-term illnesses. But, much of the added income received *was* wiped out by the need to pay the then-existing poll tax. The losers were those who were unemployed and people without children. Nearly half of the poorest households actually lost income through the changes.

GROWING NUMBERS ON INCOME SUPPORT: Income Support is the benefit for those whose income from other sources, including employment; is below the poverty level. The amount which any person receives will depend on their particular circumstances (such as age, number of dependent children, etc). It is intended as a safety-net to ensure that all people receive enough income for the bare necessities. The number on this support is increasing e.g. from 4.2 million in 1989 to 5.6 million in 1993. The latest figures indicate that some 10% of the population are claiming income support. Two issues are raised by the increasing numbers. Firstly there is concern that an increasing amount of the nation's resources are being called upon to pay for the income support and that it is a drain on the nation's resources. Secondly, although the trend is worrying because it represents a growing proportion of the population living on the poverty line.

CHANGES TO UNEMPLOYMENT BENEFIT AND INCOME SUPPORT: Another shake-up is planned for 1994 when there is a plan to merge unemployment benefit and income support into a new combined system called *Jobseeker's Allowance*. It will reduce the length of time for which a person is eligible for unemployment benefit from twelve months to six months. During that shortened period a person will need to prove that he/she is actively searching for work and has a serious intention of gaining employment. After the six month period, those who have not found work will be means-tested and receive welfare benefits in line with the rates for Income Support. The new system is being introduced with the justification that welfare scroungers are a major social problem and that the newly unemployed seem to need some added incentive to get themselves back to work as soon as possible. Research suggests that the newly unemployed are generally very anxious to find employment.

CAN BRITAIN AFFORD THE WELFARE SYSTEM? Spending on welfare has increased significantly since the late 1940s. There is a consensus amongst the industrialised nations that the costs are a drain on resources which cannot go unchecked. With the knowledge that there will be an increasing proportion of elderly dependants countries are searching for some way of reducing their commitments to welfare provision. In the UK there is a clear shift from the

provision of benefits as a flat -rate payment to all who are eligible towards greater use of means-testing in which payments are restricted to those who have no other source of income.

POVERTY: The "poverty line" for a country as defined by the Council of Europe. is 50% of the average gross weekly earnings(before taxes). Those living off a weekly income which is less than half the average are deemed to be below the poverty line. Over the last 15 years the number of people in Britain who live on an income below the poverty line has risen from 5 to 14 million. Of these, one in eight has a job. A study of poverty by the Policy Studies Institute, 1994, has shown that families living on low incomes can become forced into debt in order to provide essentials such as food, housing, fuel and clothing. The research found that the stress of trying to cope with low incomes caused relatively high levels of physical and mental illness among families. Over half of the mothers in the low-income families reported that they regularly went without food in an effort to provide food and clothing for their children and to meet fuel bills and pay the rent.

POVERTY AND DIET: A report in 1994 argued that social security benefits today do not include enough provision for a basic, healthy diet. The report was published by the National Children's Home charity. To stress the point forcefully the report made the case that today's income support benefits would not pay for a poverty diet to be found in the workhouses of old.

HEALTH: There has been a sudden and alarming increase in the number of children who suffer asthma and related allergies such as hay fever and eczema. It is estimated that one in ten children suffer, a rate twice as high as it was ten years ago. The key cause is thought to be exhaust fumes from vehicles.

1. Go through the passage and summarise each paragraph in one sentence.
2. Highlight the report findings and their dates so that you can revise them fully.
3. What was poll tax?
4. What is Income support?
5. Find out about the minimum wage legislation put in place by the Blair government in 1999.
6. What concerns does the Government have about the welfare state?
7. What is the poverty line?
8. What trends have become apparent for families in Britain in poverty?
9. List the implications of poverty for family life in Britain.
10. What are the implications of the above information for those who are employed in the following public services: Health Service, Social Services, Education Services?
11. Can you have relief from poverty without social equality? Suggest some ideas and thoughts.