

Benefits in Britain - Separating the facts from the fiction

Article in the Observer 6th April by Staff Reporter based on research at the Rowntree Foundation and the NIERS

The article lists 12 Fictions about Welfare in the UK. These Fictions come from the mouths of people like Osborne, I. D Smith and Cameron, Shapps and the like and are promulgated via the Telegraph and the Mail.

Fiction 1: Those on benefits have made a lifestyle choice and are shirkers

Fact: 20.3 million families, (64%, of all families) are in receipt of some benefit, 8.7 million of them are pensioners. These benefits include Child benefits and child care, tax credits and JSA s plus payments for sickness and disability Plus Pensions. Hardly a 'lifestyle choice for all but a few.

Fiction 2: There are families living on benefits where generations have never worked

Fact: Researchers could find no evidence of families with three generations which had never worked.

Under 1% of families might have two such generations which have never worked. Such families had many problems which made it both difficult for the parents or the children to find employment.

Fiction 3: People believe that some 27% of the Welfare Budget is claimed as a result of fraud

Fact: The actual figure is 0.8 %

Fiction 4: More of the Welfare Budget is being spent on the jobless than on the needy

Fact: The depression since 2009 has pushed the % of welfare spending up. Pensions and Housing benefits have increased most as they are linked to inflation. The £54BN growth from 2001 to 2011 is mainly for the inflation linked increases.

Fiction 5: Cuts and caps on unemployment benefits encourage people to look for jobs

Fact: Evidence from the US suggests that it may do but there is reason to believe that people simply drop out of the labour market. In Europe evidence suggests that people take up low pay temporary work and keep coming back to unemployment.

Fiction 6: The cap of £26,000 will help to reduce the overall Welfare Bill

Fact: Some 58,000 will have their benefits reduced by 2014/5. This is a vanishingly small amount in the total. Many more families will lose a range of benefits irrespective of the Cap.

Fiction 7: The welfare reforms are targeted at the 'shirkers' not the 'workers

Fact: There are 2.8 million workless families of working age.

2.5 million will face a reduction of £215 per annum

There are 14.2 million working families and 7 million of these will lose some £165 per year

There will be reductions in Child Benefit, in Council Tax relief which will increase the costs of non-working families by £140 and working families by £132. So "they are all in it together. Workless and working poor alike."

Fiction 8: Reducing the welfare bill and the 'dependency culture' will improve the growth rate of the country

Fact: There is no evidence to support this. What is needed is to target the State Support in such a way that it creates opportunities for training, improves mobility, provides adequate child care but above all we need to see a living wage and some degree of rent control if the housing benefit and the working Tax credit is to be controlled.

The welfare bill has not increased as a result of a growing 'welfare' dependency. The number on unemployment, lone parent and incapacity benefits is over a million less than in 1990

Fiction: The increase is entirely due to the increasing number of pensioners!!! Hardly a lifestyle choice!!!

Fiction 9: Too many people have too many children

Fact: In 2011 there were just 130 families in the UK with more than 10 children

Only 8% of benefit claimants have three or more children

Fiction 10: The UK spends much less on unemployment than France or Germany and is at the same level as the EU average.

Fiction 10: Osborne claimed that there are families receiving more than £100,000 in benefits

Fact: There were no more than five families receiving such a sum. No doubt they are living in London with large families and disabilities.

Comment: The current level of debate is reaching new depths. I was concerned to read that some Labour MPs are pushing towards the consensus that we need 'tougher' welfare controls and lower levels of welfare. This is NOT the way the debate should be going.

We do not need to join the Tory chorus. Our message should concentrate on the need for a Living Wage which would reduce the top up in Tax credits and for Rent Controls which would reduce the housing Benefits Bill.

A society which stigmatises the low paid, the unemployed, the elderly and the sick as 'shirkers' who have made a lifestyle choice is a Thatcher influenced society. One which I have spent the last 65 years' resisting. I am saddened to see five Labour Party MPs joining in the cry for tougher welfare policies.

Douglas