

Poor Britain

Joanna Mack and Stewart Lansley

Chapter 9: The Defence of Welfarism

© J. H. Mack and S. Lansley, 1985

9

The Defence of Welfarism

Public attitudes to welfare spending

I think they could bring it up to about £47 a week. That would be more like it. That would get you somewhere. I mean most people are earning quite a bit more than £40 odd a week when they're working. Not only that, but they've got freedom to buy what they want when they want it. We haven't. We have to say please may I. I think we should be allowed enough money to be able to live with dignity. [A single, disabled woman]

The present government has provided the coldest political climate for the welfare state since its foundation. The days of Butskellism are over. But has public opinion moved with that of the government? Has the New Right's dominance at Westminster transformed people's attitudes and thinking?

These questions are important for the future of welfarism. They help to indicate whether, if these views were given more prominence, a government more sympathetic to the poor would be elected. Moreover, they help determine how far the present government will go in pursuing its philosophy. There is little doubt that strong public support for areas such as the National Health Service has acted as a constraint on government policy to date. So to what extent do the public support specific policies towards welfare spending and help for the poor? To assess the current mood, we first take a brief look back.

Attitudes to welfare spending in the latter half of the 1970s

Opinion polls since the war have shown both mixed and shifting opinion. Overall, support for welfare spending has

been high but neither universal nor unlimited. The National Health Service, pensions and education have commanded consistently strong public support, but even in these popular areas some people have favoured cutbacks. Other areas of spending, in contrast, such as family allowances/child benefit and unemployment benefit, have received much weaker support.

Table 9.1, based on the British Election Surveys of 1974 and 1979, shows strongly divergent views on the National Health Service, social services and welfare benefits. In 1974, there were clear and substantial majorities in favour of higher spending on the National Health Service (85.6 per cent thought it very or fairly important to increase spending), whereas enthusiasm for

Table 9.1 *Attitudes to social welfare spending (percentages)*

<i>Respondent's attitude to spending on social services:</i>	1974	1979
Social services should be:		
Cut back a lot	13.7	20.8
Cut back a bit	25.2	31.2
Kept as they are	32.9	27.3
Expanded	28.1	20.7
 <i>Respondent's attitude to welfare benefits:</i>		
Welfare benefits have:		
Gone much too far	12.3	21.4
A little too far	21.7	28.6
About right	43.1	32.9
Not far enough	17.3	13.2
Not nearly far enough	5.7	3.8
 <i>Respondent's attitude to increased spending on the National Health Service:</i>		
Spending on the health service:		
Very important it should	48.3	52.8
Fairly important it should	37.3	36.0
Doesn't matter	6.0	4.5
Fairly important it should not	6.3	4.5
Very important it should not	2.1	2.0

Sources: Whiteley (1981), Table 1; British Election Survey, 1979.

spending on social services and welfare benefits was weaker: only 28.1 per cent thought the former should be expanded, while 23.0 per cent thought welfare benefits 'had not gone far enough'. Nevertheless, there was not a majority in favour of cutting either of them back. The table also provides evidence of some hardening of attitudes towards certain aspects of the welfare state, especially towards welfare benefits, during the second half of the 1970s: support for the National Health Service increased slightly between 1974 and 1979, support for cutbacks in social services also grew, and the view that welfare benefits had 'gone too far' increased noticeably.

How far did this shift reflect some permanent and deep-seated change in opinion? Or did it simply reflect a fluctuation in attitudinal patterns? Pollsters distinguish between issues on which most people hold firm and committed views that have deep roots and rarely change and those that are much more weakly held and that are therefore much more susceptible to the prevailing social and political climate. The evidence of polls over time suggests that certain aspects of the welfare state fall into the former category. Support for the National Health Service, pensions and education has been consistently high, while attitudes towards other benefits has been much more mixed.

If the decline in support for benefits did not reflect a permanent ideological shift in public opinion, there are two other possible explanations for the change. The first is that public antipathy to certain aspects of income support is indeed deep-rooted but had been hidden in the postwar period by support for the National Health Service and pensions. If so, it is possible that under the stimulus of Thatcherism in the latter half of the 1970s this suppressed ideology finally rose to the surface. This view seems to conflict with the evidence presented later in the chapter, which shows a relatively generous attitude towards benefits in 1983. The alternative explanation is that it was a response to the particular social and political circumstances of the time. The late 1970s were a period of retrenchment in public spending occasioned by the economic crises of 1975 and 1976. Few public services were

protected in the cuts announced and enacted at that time. This was followed by rising unemployment and successive attempts at wage restraint culminating in the 'winter of discontent' in 1978. The period was also characterised by a new ideological opposition to high public spending as one of the key causes of Britain's long-term economic decline. While such a view had been evolving as part of the new thinking within the Conservative party, it was also influenced by the public spending cuts initiated by the 1974-9 Labour government, which helped to give legitimacy to the idea that state spending was too high. The growing economic crisis also gave rise to a drop in real incomes, an increase in the tax burden and a rise in the cost of welfare. This helped to promote a growing wave of 'scrounger-phobia', reflecting a rising antipathy to social security and to claimants. Fanned by the exaggerated media responses to particular incidents of social security fraud, this mood, on occasions, seemed to reach hysterical proportions (Golding and Middleton, 1982).

Against this background, it is not surprising that public opinion should harden against certain groups of claimants, convenient and helpless scapegoats for the emerging economic and social problems. In turn, these trends must have helped to set the scene for the election campaign of May 1979 and the anti-social-services stance adopted by the Conservatives.

That these changes in opinion towards welfare spending were more of a response to the changing political and economic climate than a reflection of a fundamental shift is supported by another study of opinion changes between 1974 and 1979 (Husbands, 1982, pp. 42-4). This compared the answers to a series of questions from a panel of the same voters in October 1974 and May 1979. It showed that only 41 per cent of voters gave the same response in both years when asked about spending on social services and benefits; 37 per cent gave a more 'left' response in 1974 than in 1979, while 17 per cent gave a more 'left' response in 1979 compared with 1974. This confirms that attitudes on this question are weakly rather than strongly held and led Husbands to conclude that the hardening of attitudes that had occurred over the period was as likely to

be associated with the 'particularly reactionary stimuli in the election campaign' as with any permanent shift.

At the time of the 1979 election, therefore, public opinion was probably more sympathetic to anti-collectivist views than at any time since the war. This seems to have been explained by the particular political circumstances of the time - the unpopularity of the Labour party following the 'winter of discontent' and the climax of several years during which wage restraint and rising taxes had held down take-home pay. There can be little doubt that the national mood in the spring of 1979 was especially favourable to the Tories and by implication to propaganda about high public spending and taxation. Even then, this mood was not overwhelming. Despite the growth of antagonism towards claimants and benefits, for example, support for maintaining or expanding spending on social services and welfare benefits was still high and only just short of 50 per cent (Table 9.1). As one observer has concluded, 'welfare spending is still popular amongst the great majority of the electorate . . . the general climate of public opinion in Britain will not accept a fundamental dismantling of the welfare state as distinct from its erosion at the edges' (Whiteley, 1981, p. 473).

Public opinion, however, also tends to be confused and ambiguous. On the question of tax and public spending levels, for example, surveys have shown how people like to have it both ways - favouring both tax cuts and higher spending, especially in some areas. Surveys in the late 1970s showed that the public supported cuts in both overall spending and taxation but also wanted more spent on some services such as the National Health Service, pensions and education. The only item in a list of possible cuts in a Gallup survey in January 1978 to gain a majority was unemployment benefit (Lipsey, 1979). Although opinion polls in 1979 showed large majorities in favour of cutting taxes, when asked to express a direct preference between tax cuts and higher spending, the answers tended to be more favourable to public spending. In October 1979, for example, a Gallup poll found only 20 per cent in favour of cutting taxes and reducing services; 26 per cent were

in favour of the status quo, and 44 per cent favoured extending services and increasing taxes.

Current attitudes to welfare spending

Chapter 7 showed how attitudes to the poor found in the *Breadline Britain* survey have shifted since the mid-1970s to a position where far fewer blame the victims and many more blame injustice. There was also evidence of strong backing for a more equal society and little support for the inegalitarian ideology or the widening inequalities of recent years. This is confirmed by shifts in attitude towards spending and specific policies. In October 1983, an identical question to the one asked in 1979 by Gallup showed the proportion favouring extending services had risen to 50 per cent and the proportion favouring cuts in taxes and services had fallen to 17 per cent.

The shift is confirmed in other surveys, which have shown very weak and only minority support for cuts in spending and taxation. A MORI poll in October 1983 found 34 per cent favouring 'cuts in taxes, even if this means a cut in spending on public services', but a clear majority (58 per cent) in favour of 'maintaining spending on public services, even if this means an increase in taxes'.

An identical question in a comprehensive poll of attitudes to local public services conducted by MORI for the London Borough of Greenwich in December 1983 (MORI, 1984) showed 47 per cent in favour of maintaining spending even if this meant higher taxes and 36 per cent favouring cuts in taxes and spending. To test the views of the local electorate on individual local services, respondents were given a list of five basic public services - subsidised council housing, free education for children up to the age of 16, free local hospital care, subsidised public transport, and social security benefits. They were asked which of three options they favoured for each service - more taxes and improved services, the status quo, or lower taxes and poorer services. The answers revealed even greater opposition to cuts in taxation if this meant a poorer

service in these individual areas (Table 9.2). Hospital care was the most strongly supported, with 59 per cent favouring spending more to improve the service, even if this meant an increase in taxes, 33 per cent favouring the status quo, and only 1 per cent favouring lower taxes and a poorer service. Education was the next most popular, with 41 per cent favouring an improved service and only 2 per cent favouring cuts. In the case of the other three services - council housing, public transport and social security - a majority favoured maintaining the present balance between spending and service but, of the other two options, many more favoured improved services (29 per cent in each case) than supported lower taxes and a poorer service (4-6 per cent for each area).

Labour supporters are, as expected, generally more likely to support improved services in these areas than Alliance supporters, and Alliance supporters are more likely to do so than Conservative supporters. Perhaps surprisingly, however, Conservative supporters are overwhelmingly opposed to spending and tax cuts in these areas: only 3 per cent of Conservatives favoured cuts in education, 10 per cent in council housing, 1 per cent in hospital care, 5 per cent in public transport and 9 per cent in social security. This suggests that there is not even a mandate among Conservative voters for further reductions in public spending on these services, even if this results in lower taxes.

Table 9.2 reveals some interesting patterns in attitudes between classes. On hospital care and education, the middle classes are, if anything, more likely to support an improved service even at the expense of higher taxes than the working classes. On social security and council housing, however, the middle classes are less likely than the working classes to support the higher spending and tax option. These differences are not that sharp, however, and perhaps not as sharp as would be expected on the basis of variations in perceived self-interest. Perception of self-interest depends on how the cost of the service in terms of tax paid is weighed against assessment of personal benefit, where this derives not just from use of the service but also from paid employment in its provision. In the

Table 9.2 *Attitudes to local public services, 1983 (percentages)*

Please could you tell me from this card which of the three options you would favour most for the following services'

	<i>Improve service even if more taxes</i>	<i>Service and taxes as at present</i>	<i>Lower taxes even if poorer services</i>	<i>Don't know</i>
Hospital care	59	33	1	7
Education	41	44	2	13
Social security	29	52	5	14
Council housing	29	51	6	14
Public transport	29	58	4	9

Please could you tell me from this card which of the three options you would favour most for the following services'

	<i>Improve service/ more taxes</i>			<i>As at present</i>			<i>Lower taxes/ poorer service</i>		
	<i>Conservative</i>	<i>Labour</i>	<i>Lib/SDP</i>	<i>Conservative</i>	<i>Labour</i>	<i>Lib/SDP</i>	<i>Conservative</i>	<i>Labour</i>	<i>Lib/SDP</i>
Hospital care	50	65	74	44	28	23	1	1	1
Education	36	45	47	50	42	42	3	2	1
Social security	18	41	33	60	46	53	9	2	4
Council housing	16	39	26	57	44	60	10	4	4
Public transport	23	36	28	64	53	65	5	3	1

Please could you tell me from this card which of the three options you would favour most for the following services'

	<i>Improve service/ more taxes</i>					<i>As at present</i>					<i>Lower taxes/ poorer service</i>				
	<i>Social class</i>					<i>Social class</i>					<i>Social class</i>				
	<i>AB</i>	<i>C1</i>	<i>C2</i>	<i>D</i>	<i>E</i>	<i>AB</i>	<i>C1</i>	<i>C2</i>	<i>D</i>	<i>E</i>	<i>AB</i>	<i>C1</i>	<i>C2</i>	<i>D</i>	<i>E</i>
Hospital care	60	61	61	51	60	32	34	30	39	31	2	1	2	1	1
Education	47	42	46	39	33	38	48	40	48	45	3	1	3	1	3
Social security	22	23	22	33	42	60	54	58	49	42	7	8	6	3	3
Council housing	20	27	28	34	33	53	52	56	48	47	9	9	4	6	5
Public transport	29	28	25	29	31	61	60	63	58	50	7	7	7	11	13

Source: MORI (1984).

case of education and health, the middle classes not only make disproportionate use of the services (Le Grand, 1982) but are also heavily employed in them as doctors, teachers, lecturers and administrators. This may explain why the middle classes are especially supportive of an expanded service in these areas. In the case of social security and council housing, in contrast, professional and managerial groups are, with the exception of pensions and child benefit, less likely to benefit from spending. In addition, they are less likely to be employed in these service areas. Despite this, at least one-fifth of professional and managerial workers favoured an improved service and higher taxes in these areas, although this is a noticeably lower proportion than among working-class groups. As we shall see later in Table 9.6 (pp. 266-7) the middle classes are not only supportive of higher pensions from which they are likely to benefit, but a majority also thought that supplementary benefit is too low and a quarter that unemployment benefit is also too low, both benefits in which they have much less of a stake. While self-interest appears to be the dominant factor determining attitudes to the welfare state, altruism is also important. As we saw in Chapter 7, although the middle classes are less concerned about the plight of the poor than are the working classes, they still display widespread sympathy for the position of the poor, which often overrides their immediate class interest.

It is also interesting to compare the attitudes of those 36 per cent of respondents favouring reduced public spending and taxation overall with their attitudes to these individual services. Of those favouring overall cuts, only 3 per cent also favoured cuts in hospitals, 5 per cent in education, 14 per cent in council housing, 6 per cent in public transport and 11 per cent in social security. While supporting the principle of lower public spending and taxes, they are, like ministers, much more reluctant to name the services.

These results therefore suggest little public enthusiasm for cutting public spending, despite this being one of the government's major policy planks.

Attitudes to spending on the poor

In Chapter 3, we examined the items identified by people as essential to a minimum living standard. Not only was there found to be a considerable degree of social consensus about which items were necessities, but these also covered a wide range of aspects of our way of life. However, identifying necessities is one thing. Being prepared to back measures to ensure that people do not fall below this self-determined minimum standard is another. In Chapter 7 it was seen that there is widespread support for more government help for the poor. How far, however, does this translate into dipping into one's own pocket? In order to gain some indication of how strongly people were committed to helping the poor, they were asked whether they would be prepared to pay more in income tax to 'enable everyone to afford the items you have said are necessities'.

First they were asked if they would be prepared to pay 1p more in the pound. Another penny on income tax would cost a standard-rate taxpayer on average earnings about £1.20 a week and would raise about £1,000 million a year. This, however, would have only a minimal impact on raising the incomes of the poor. It would enable an increase in all benefit levels of about 3 per cent, giving, for example, an increase of £1.05 for an unemployed couple and about £0.80 for a lone pensioner. Alternatively it could be used more selectively to, say, extend the long-term rate of supplementary benefit to those unemployed for more than a year and permit a 2 per cent increase in benefits all round. Such a sum would in fact reinstate little more than half of the cuts in the social security budget imposed by Mrs Thatcher's first administration. An increase of this amount was widely supported. As many as three-quarters said they would be prepared to pay one penny more in the pound in income tax, with one-fifth opposed (Table 9.3).

Respondents who were prepared to pay 1p more in the pound were then asked if they would support an increase of 5p in the pound. This would cost a standard-rate taxpayer an

Table 9.3 *Preparedness to pay more tax to help those in need, 1983 (percentages)*

If the Government proposed to increase income tax by one penny or by five pence in the pound to enable everyone to afford the items you have said are necessities, on balance would you support or oppose this policy?

	Net equivalent household income			Social class					Political affiliation				Sex	
	All households	Poorest 10%	Richest 10%	AB	C1	C2	D	E	Conservative	Labour	Lib/SDP	None/ Don't know	Male	Female
<i>1p in the £:</i>														
Support	74	71	88	84	84	73	67	68	79	73	77	69	79	70
Oppose	20	20	8	16	11	22	26	24	16	21	19	23	16	23
Don't know	6	9	4	1	6	5	8	9	5	6	3	8	4	7
<i>5p in the £:</i>														
Support	34	36	44	36	36	33	34	33	30	42	40	26	37	32
Oppose	53	48	43	57	50	53	52	53	61	47	46	55	51	54
Don't know	13	16	13	8	14	13	13	14	9	10	15	19	12	13

average of £6.00 a week and would raise £5,000 million. This would finance a big package of benefit increases: a 23 per cent increase in all national insurance benefits; a £2.50 increase in child benefit (a 43 per cent rise); a 10 per cent increase in all supplementary benefit rates, plus the extension of the long-term supplementary rates to the long-run unemployed. By way of example, a long-term unemployed couple with two children would gain about £12.00 a week, and a lone pensioner about £7.50 a week. Such a package would lead to a significant improvement in the lot of most of the poor. Large numbers of households would be lifted off means-tested benefits, with as many as one-third lifted off supplementary benefit. As well as enjoying higher incomes, the problem of the poverty trap would be substantially eased. It is difficult to estimate precisely how these higher incomes would be translated into improved living standards and how many people would thereby be lifted above our socially determined minimum standard of living. Housing opportunities, for example, are not necessarily improved simply by increased income but may also depend on wider policies towards public sector housing. Nevertheless, we have estimated that around one-third to one-half would be lifted above this minimum standard (see Chapter 6). Support for a tax increase of this magnitude was a lot less, with only half of those supporting an increase of 1p also supporting an increase of 5p. There is a clear limit to people's generosity.

How far does willingness to pay vary among different groups? Conservative supporters, while appearing to be more generous than Labour and Liberal/SDP supporters when it comes to paying an extra penny, are less so when it comes to five pence. Men are slightly more willing to pay more than women, and pensioners marginally less willing than non-pensioners. Table 9.3 also shows that the middle class and those with the highest incomes are more willing to pay higher taxes than are the working class and those with the lowest incomes. Thus, 88 per cent of the richest 10 % were prepared to pay another penny compared with 71 per cent of the poorest 10% , while 44 per cent of the richest supported an extra five pence compared with the 36 per cent of the poorest. This is of

interest because the question is in some sense rather false - any policy to help the poor would primarily depend on those in the top half being prepared to pay more. That this proportion of the rich are prepared to pay is of significance, especially in view of the alleged disincentive effects of high taxation on higher income groups. That those on the lowest incomes are less keen to pay higher taxes is perhaps hardly surprising. Many are already finding it difficult to manage and could not cope with such an increase in taxation.

Since 1979, there has been a marked shift in the pattern of the tax burden away from the better-off. Thus from 1978/9 to 1983/4, the tax burden (including national insurance payments) for a two-child family of five times average earnings fell by 14 per cent; for a similar family on average earnings it increased by 6.5 per cent, while for one on three-quarters of average earnings it rose by 13 per cent (Bull and Wilding, 1983).

The increase in the tax burden of lower relative to higher earners was the result of several factors: the three pence reduction in the standard rate of income tax in 1979; the reduction in top tax rate from 83 per cent to 60 per cent on earned income and from 98 per cent to 75 per cent on investment income; the sharp rise in the threshold for the investment income surcharge; the abolition of the reduced tax band in 1980; and the increase in national insurance contributions for employees. These changes have been aggravated by other factors. Recent years have seen a sharp increase in the number of households subject to the poverty trap, a result in part of the spread of low pay. In 1979, under 79,000 families were in receipt of family income supplement. By 1982, the numbers had increased to 143,000. While increasing numbers are dependent on such means-tested benefits, the severity of the poverty trap has also intensified. This is mainly a result of the sharp increases in the rate at which housing benefit is withdrawn from poor families. Prior to the full introduction of housing benefit in April 1983, rent rebates were withdrawn at a rate of 17p in the k. By November 1984 this rate of withdrawal had nearly doubled to 29p in the £.

There is also evidence that the lower-paid and poorer

households are only too well aware of their growing tax burden and the impact of the poverty trap, even if they do not use the jargon of social scientists. Olga is a hospital domestic assistant earning £88 a week gross. She has three children to look after:

I wouldn't be any better off if my wages went up because I'll get less family income supplement and my rent will also go up. Sometimes I hardly feel like working because it's not worth it.

Table 9.4 shows that, among all households, as many as 79 per cent agreed that 'there's no incentive for low paid workers to earn extra money because any gain disappears through deductions in benefits and extra taxes'. There were sharp variations by occupational group, with 87 per cent of those in manual occupations agreeing compared with 56 per cent of professional and managerial workers.

The answers to questions on attitudes to spending on the poor appear to show a surprisingly strong willingness for personal financial sacrifice to help them, but can they be taken seriously? After all, past experience has shown how difficult it has been to obtain public acquiescence for higher taxation in order to fund higher public spending. One of the characteristics

Table 9.4 *Attitudes to incentives for the low paid (percentages)*

There's no incentive for low paid workers to earn extra money because any gain disappears through deductions in benefit and extra taxes':

	All house- holds	Net equivalent household income		Social class				
		Poorest 10%	Richest 10%	AB	C1	C2	D	E
Agree	79	81	75	56	73	88	86	84
Disagree	17	10	24	43	24	8	10	9
Don't know	4	9	0	1	3	4	4	7

of the postwar history of growing expenditure on the welfare state has been the extension of the tax burden beyond the well-off and then beyond middle-income groups to even those on the lowest incomes. While this is partly explained by the lack of progressivity over most of the tax system, it remains the case that the higher taxation required to finance substantial further redistribution of income through higher benefits and public spending on universal services would have to come, not just from the rich but throughout the top half of the income scale, even with a reformed and more progressive tax system. Early in Labour's 1974-9 administration, there was an attempt to expand welfare spending through higher taxation, the term 'the social wage' being coined in an attempt to gain public support. In the later years of the government, however, cumulative trade union pressure to maintain take-home pay combined with pressure from the International Monetary Fund and the recession to lead to a subsequent collapse of that strategy. Klein has summarised these events:

The 'social wage' was not, in other words, perceived by union members as equivalent to money in their own pockets: they voted, in their wage bargaining, against a policy of redistribution to the elderly and others via the state. (Klein, 1980, p. 28)

The reasons for the collapse of Labour's social contract in the second half of the 1970s are more complex than this, but this does illustrate the difficulties facing a government attempting redistributive policies in the face of limited or zero growth. Moreover, past experience is not the only reason for a note of caution in treating these answers as a fully reliable guide to people's real opinions. When confronted with questions of this kind, interviewees may be reluctant to appear uncharitable or selfish, and it may be easier to say 'yes' than to say 'no'.

Nevertheless, similar questions have been asked before. In a 1974 NOP poll, interviewees were asked whether they would be prepared to pay extra tax 'in order to help people who do not earn so much money as yourself ; only 34 per cent said that

they would (Klein, 1974, p. 412). Moreover, the evidence in the previous section suggests that there has been a shift in the public mood on tax and public expenditure, which is now much more supportive of the latter.

Attitudes to social security benefits

The early years of the 1980s, it has been argued, have seen a shift towards greater sympathy for the poor and for certain aspects of welfare spending. Of particular importance, given the evidence of hostility at the end of the 1970s, there also seems to have been a move to greater support for social security. In the *Breadline Britain* survey, respondents were given a list of items of public spending and asked to choose three items for cuts if public spending had to be reduced, and three items for more money should the government decide to raise spending. In an identical question asked by MORI in 1980, social security had headed the cuts roster, with 44 per cent wanting this option compared with just 9 per cent favouring an increase (Table 9.5). By 1983, social security had slipped to fourth place in the cuts ranking, with nearly twice as many (45 per cent) favouring cuts in defence spending as in social security (23 per cent).

This is not all good news for social security recipients, however. Even though social security was much less unpopular in 1983 than three years previously, it was still relatively unpopular compared with other items of public spending including local housing, police, job training for the unemployed, as well as the NHS and education. Its ranking was similar to that found in the Greenwich/ MORI survey (see Table 9.2).

There is a difficulty of interpretation about asking people about social security, however, since people's concepts of what this means may vary, and some may see it in a narrow way. Indeed, this low ranking may simply reflect the public's known ambivalence towards certain types of social security recipient. When asked about individual benefits, a more generous reaction was found (Table 9.6). Pensions were heavily

Table 9.5 *Attitudes to public spending levels (percentages)*

'If the Government had to reduce its spending, which three of these do you think it should cut its spending on? And if the Government intended to increase its spending, which three of these do you think it should increase its spending on?'

	1980		1983	
	<i>Cut</i>	<i>Increase</i>	<i>Cut</i>	<i>Increase</i>
Local housing	14	28	12	29
Social security benefits	44	9	23	19
National Health Service	5	57	2	59
Roads	19	66	17	20
Police	5	34	10	22
Education/schools	5	36	3	55
Grants to local authorities	34	5	25	9
Defence	30	25	45	10
Job training for the unemployed	20	27	13	38
Child benefits	19	18	20	16
Grants for regional development	37	8	39	6
None/no opinion	16	4	19	3

Sources: LWT/MORI survey, 1983; MORI.

supported: 59 per cent thought they were too low, 29 per cent about right and only 1 per cent too high. While this may have come as no surprise, the same proportion (59 per cent) thought supplementary benefit - at £59.20 a week after rent for a family with two children - was too low as well; another third said it was 'about right', while only 3 per cent believed it was too high. When put in concrete terms attitudes are more sympathetic. Equally surprising, 40 per cent thought that unemployment benefit was too low, 24 per cent about right and only 9 per cent too high. This suggests that hostility to unemployment benefit has fallen. This supports other findings that have shown a weakening in the antipathy towards the unemployed that existed throughout the 1960s and 1970s.

Child benefit is the only item to receive lukewarm support, and this is consistent with other survey findings since the war. The persistent lack of enthusiasm for child benefit is partly explained by its universal nature. It is often seen as indiscriminate in impact, going to people lacking in need as well as those deserving help. 'An NOP poll, carried out in 1968, found that 76 per cent agreed with the proposition that family allowances should be given only to those who need them as distinct from everyone with children' (Klein, 1974, p. 411). Lack of support may also reflect a view that since children are the result of conscious parental choice, they should be a burden on those who chose to have them rather than the state. Even so, despite its perceived indiscriminate impact, more (24 per cent) thought it was too low than too high (16 per cent), with 41 per cent thinking it was about right.

Some differences also emerge by income and class. In the case of pensions, support is high across income levels and classes. While pensioners are perceived as especially deserving, this may also reflect an awareness that most of us will benefit one day. In the case of unemployment benefit and child benefit, the differences are pronounced. Nearly twice the proportion of the poor (63 per cent) thought unemployment benefit too low compared with the rich (34 per cent). Only 2 per cent of the poor thought it was too high compared with 11 per cent of the rich. Working-class households are also more generous towards the level of unemployment benefit than middle-class ones. Even so, only a small proportion of the rich and the middle class displayed anti-unemployment benefit feelings, and fewer than in the past. This may indicate that altruism is on the increase, at least towards the unemployed. On the other hand, it may simply be that the middle classes have become increasingly concerned about their own or their family's vulnerability to unemployment. In the *Breadline Britain* survey, the middle classes were certainly as worried about the unemployment prospects of their children as were the working class.

Child benefit, too, is much more popular among the poor than the rich and among manual workers compared with

Table 9.6 *Attitudes to benefit levels (percentages)*

For each of the items on this list, could you tell me whether you think their level is too high, too low or about right at present?

	<i>All households</i>	<i>Net equivalent household income</i>		<i>AB</i>	<i>C1</i>	<i>Social class</i>		
		<i>Poorest 10%</i>	<i>Richest 10%</i>			<i>C2</i>	<i>D</i>	<i>E</i>
<i>State pensions:</i>								
Too high	1	5	0	0	0	2	2	0
Too low	59	62	65	53	58	59	62	60
About right	29	19	30	34	31	27	27	29
Don't know	11	14	5	13	11	12	10	10
<i>Unemployment benefit:</i>								
Too high	9	2	11	18	10	8	4	7
Too low	40	63	34	26	27	40	53	52
About right	24	19	40	32	29	26	20	17
Don't know	27	16	15	24	35	27	23	24
<i>Child benefit:</i>								
Too high	16	7	16	21	17	14	18	13
Too low	24	40	12	12	16	29	26	34
About right	41	38	53	43	47	44	39	33
Don't know	18	15	19	24	20	13	17	19
<i>Supplementary benefit:^a</i>								
Too high	3	4	1	3	3	3	3	1
Too low	59	68	52	52	54	67	54	62
About right	33	26	45	33	40	26	39	29
Don't know	6	2	2	12	4	4	3	8

	<i>Conser- vative</i>	<i>Political affiliation</i>			<i>Sex</i>		<i>Household type</i>		
		<i>Labour</i>	<i>Lib/SDP</i>	<i>None/ Don't know</i>	<i>Male</i>	<i>Female</i>	<i>Pensioners</i>	<i>With children</i>	<i>Non-pensioners Without children</i>
State pensions:									
Too high	1	3	0	0	1	1	0	1	1
Too low	52	66	62	64	63	54	61	56	63
About right	38	20	29	31	27	32	38	28	28
Don't know	9	11	10	15	9	13	1	15	9
Unemployment benefit:									
Too high	14	3	11	9	8	10	9	10	7
Too low	18	62	41	38	46	35	22	46	38
About right	36	12	28	23	26	24	21	24	29
Don't know	32	23	20	30	21	32	49	20	26
Child benefit:									
Too high	23	11	19	15	15	17	27	12	20
Too low	13	34	22	26	26	23	12	32	15
About right	49	38	40	38	37	45	30	48	37
Don't know	16	17	19	21	22	15	31	8	29
Supplementary benefit: ^a									
Too high	3	2	1	4	3	2	3	2	3
Too low	47	73	56	59	57	61	40	65	58
About right	44	24	38	27	35	31	45	28	35
Don't know	6	2	5	11	5	6	11	4	4

^aRespondents were informed that people who are not working on supplementary benefit received £59.20 a week, excluding rent, for a family with two young children.

professional, managerial and clerical workers. This probably reflects its much greater significance in relation to total household income for poorer families. Even so, a clear majority of professional and managerial workers (55 per cent) thought that the level of child benefit was either too low or about right.

Some interesting variations emerge by sex and household type. Women are less sympathetic to higher pensions and unemployment benefit than are men. Despite the fact that they are the main beneficiaries, women are no more sympathetic to child benefit than men, though fewer are uncertain in their answers. Pensioners are only fractionally more sympathetic to higher pensions than non-pensioners, but they are much less sympathetic to unemployment benefit, child benefit and supplementary benefit. Families are much more likely than the childless to think that child benefit is too low.

Some of the biggest differences occur by political affiliation (Table 9.6). While a majority of supporters of each of the three major parties thought that pensions were too low, a higher proportion of Labour (66 per cent) and Liberal/SDP (62 per cent) supporters thought so than did Conservative (52 per cent). The differences in attitudes to the other benefits, especially unemployment benefit, are much sharper. Thus, 14 per cent of Conservatives, 11 per cent of Liberal/SDP and only 3 per cent of Labour supporters thought unemployment benefit was too high, while more than three times the proportion of Labour supporters (62 per cent) thought it was too low compared with Conservatives (18 per cent), with Liberal/SDP supporters roughly in the middle. A similar pattern emerges with child benefit and supplementary benefit, with Labour supporters much more sympathetic than Liberal/SDP supporters and Conservatives least in favour of increases.

Nevertheless, only a small minority of those polled, even among Conservatives, thought any of the benefits were too high. As we have seen, the survey was conducted at a time of considerable speculation about government plans for benefit levels following cuts in earlier years. These results reveal little support for such cuts if they had been enacted.

The *Breadline Britain* survey therefore indicates both a more generous attitude towards benefits and less ambivalence in the public mind on these issues than were found in most earlier surveys. Earlier surveys have shown a fairly mixed view about welfare services, benefits and their recipients - a high level of satisfaction and support for many welfare services (especially the National Health Service, education and pensions), but at the same time a lack of sympathy for some groups of recipients, a feeling that some claimants are 'scroungers'. and opposition to what are perceived as indiscriminate benefits to the undeserving. Although such views have persisted, they now appear less prevalent and less strongly held. The unemployed and unemployment benefit in particular are now viewed with much greater sympathy than in the past.

The low-paid

In the policy debates on tackling poverty, a recurrent theme has been the relative importance of intervention in the labour market, or tackling inequalities at source, compared with wider policies of income maintenance through the tax and social security system. Low pay, of course, is not the only cause of poverty, but it accounts for about one-quarter of those living below the supplementary benefit level and about one-third of those living in poverty on the *Breadline Britain* basis (Table 6.5). In the *Breadline Britain* survey, 76 per cent agreed that differences in pay between the highly and the lowly paid are too great (Table 7.7). Turning to policies for the low-paid two-thirds supported the introduction of a minimum wage (Table 9.7). Such support was also relatively uniform across income levels and social classes. This of itself does not indicate a recognition of the role of low wages as a key source of poverty, but it does suggest substantial sympathy.

In the past, attempts have been made to improve the relative earnings of the low-paid. These have included biasing income policies in favour of the low-paid, and minimum wages

Table 9.7 *Support for a minimum wage (percentages)*

<i>The government should introduce a minimum wage for all workers'</i>	<i>All households</i>	<i>Net equivalent household income</i>		<i>Social class</i>				
		<i>Poorest</i>	<i>Richest</i>	<i>AB</i>	<i>C1</i>	<i>C2</i>	<i>D</i>	<i>E</i>
		<i>10%</i>	<i>10%</i>					
Agree	66	71	70	58	65	66	75	66
Disagree	28	23	29	38	31	28	20	27
Don't know	5	6	2	4	4	6	5	7

<i>The government should introduce a minimum wage for all workers'</i>	<i>Political affiliation</i>			<i>None/Don't know</i>	<i>Sex</i>	
	<i>Conservative</i>	<i>Labour Lib/SDP</i>			<i>Male</i>	<i>Female</i>
		<i>Labour</i>	<i>Lib/SDP</i>			
Agree	62	68	80	60	68	65
Disagree	34	23	17	34	30	27
Don't know	3	9	2	6	3	7

legislation in certain industries. Neither has been particularly successful in narrowing wage differentials. Indeed, the gap between high and low earnings has hardly changed since the turn of the century.

Tackling low pay itself would not solve the problem of poverty. Indeed, many of the lowest paid are not in poverty: they have few dependants or are one of two earners in the family. Raising the relative pay of those on low earnings would therefore have a relatively limited impact on the totality of poverty, though it would contribute to reducing inequalities. Interventions in the labour market nevertheless, still have an important role to play in anti-poverty policy. Attempts to limit that intervention by the first Thatcher administration have undoubtedly contributed to the deteriorating position of the low-paid since 1979. The Wages Council system designed to set minimum wage levels in low-paying industries was weakened. The number of wages inspectors was cut by one-third, and Wages Councils themselves were encouraged to award low increases. From 1979 to 1982, the gross earnings of the lowest-paid manual workers rose by 42 per cent, while those of the highest-paid white-collar workers rose by 63 per cent. This

helps to emphasise that tackling poverty requires a combined approach on earnings, benefits and taxation.

The growing support for welfarism

In Chapter 7 it was found that there was substantial support for the aims of reducing poverty and of redistribution to secure a more equal society. In this chapter, we have looked at how far people are prepared to back the means that could achieve these aims.

Throughout the postwar history of the welfare state, public attitudes to welfare spending have been mixed and fluctuating. The public have been concerned about certain key social problems such as poverty and ill-health, and have generally endorsed the implicit objective of welfare spending to promote greater equality. Generally, however, they have proved to be less supportive when it comes to the policies themselves. Comparison of Tables 7.1 and 9.1, for example, shows that in 1979, despite 87 per cent support for increased government spending to get rid of poverty, small majorities also felt that spending on social services should be cut back and that welfare benefits had gone too far. Similarly, support for certain key benefits such as unemployment and child benefit has often been at best lukewarm.

Although this discriminating attitude has persisted, it is not nearly as pronounced now as in the past. There is not only overwhelming opposition to cuts in public spending on health and education and also on housing, social security and public transport; in addition the public seem willing to pay more in taxes to help those in need. Moreover, a majority feel that not only pensions are too low, but also supplementary benefit. Although there was not a majority who felt that unemployment benefit is too low, it is much more sympathetically viewed than in the past. Only child benefit continues to be viewed with antipathy, and even that is not overwhelming.

This softening of social opinion is probably explained by the deepening of the recession and the widening experience of

unemployment and of claiming benefits. The public now appear to recognise the inadequacy of benefit levels, and to show greater sympathy to benefits, to claimants and to some items of welfare spending that have previously been viewed with some suspicion. Such sympathy, however, is far from powerful enough to give much hope to the poor of an immediate improvement in their relative position. Nor is there much evidence that this shift represents any more of a permanent change than the apparent hardening of attitudes in the late 1970s proved to be. What is clear, however, is that, while Mrs Thatcher may be able to continue to nibble away at the edges of the welfare state without meeting overwhelming public resistance, she will encounter a very hostile public reaction if she tries to follow her convictions and go much further.

