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Cuts and caps to benefits have always harmed people, not helped them into work

In its effort to get more people back into work, the Labour Government has hinted at a series of cuts to sickness and disability support. Ruth Patrick and Aaron Reeves argue that this approach is misguided and goes against a host of evidence which suggests that cutting or capping people's benefits pushes them deeper into poverty and further away from the labour market.

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Keir Starmer's Government is expected to announce a host of cuts to sickness and disability support in the coming days. The UK's ageing and increasingly unwell population has led to what has been described as "**unsustainable**" and "**indefensible**" spending on benefits.

It is both shocking and somehow sadly unsurprising that, after more than a decade of brutal cuts to social security, the government seems to have once again decided that austerity is the answer to the economic pressures they are facing.



The reality is that many of the measures already implemented to reduce government spending by cutting or capping benefits have actually pushed people further away from the labour market.



We have spent many years documenting the real harms created by reforms to social security primarily aimed at reducing government spending. It was very disappointing to hear Starmer describe Britain's social security system as an expensive way to trap people on "welfare" rather than helping them find "work".



Around 37 per cent of people on Universal Credit are currently in work.



The government's expected proposals are intended to incentivise people into work by reducing the generosity of the support offered to people claiming disability related benefits. But the reality is that many of the measures already implemented to reduce government spending by cutting or capping benefits have actually pushed people further away from the **labour market**.

Many people on welfare already work

The relationship between welfare and work is also more complex than first appears. Around 37 per cent of people on Universal Credit are **currently in work**. Approximately 23 per cent of those out of work are working with advisers whose job is to support them back into the labour market. The majority of the rest of Universal Credit claimants are people who are not expected to be in work right now (although it is worth noting that a non-trivial minority of this group are actually in employment and so included in the figure cited above). These are often people who have health challenges that make it difficult for them to enter the labour market.

The UK's social security covers a much smaller proportion of the average wage than most other **countries in Europe**. A single person's **allowance on Universal Credit** is £393.45 per month if they are 25 or over, while under-25s receive £311.68. This averages out at less than £100 a week to meet all essential living costs, bar support with housing.

Disabled people received additional support in the form of Personal Independence Payments (PIP) or Disability Living Allowance if you live in England, Wales or Northern Ireland, and Adult or Child Disability Payments in Scotland. This support is specifically designed to help people meet the **additional costs** that come with disabilities and long-term health conditions – it is not means tested, and is available to those in employment, as well as those not currently working.

Ministers are expected to announce cuts to spending on disability-related social security by making it more difficult to get access to PIP payments, freezing the value of PIP so that it does not rise with inflation, and reducing the amount of Universal Credit received by those judged unable to work.

Currently, if people are not able to engage in paid work, they are entitled to an additional payment through Universal Credit, equivalent to approximately £400 a month. This recognises that some people may not be able to work for quite long periods, and they need additional support because of that. This amount could go down. The problem is that this is not enough to live on and often necessitates going **without essentials**, such as food or electricity.



The two child limit is not helping families get into work nor is it affecting fertility rates.



Families with dependent children receive additional support through child elements of **Universal Credit** and through **Child Benefit**. But this support is subject to caps – the controversial and poverty-producing **two-child limit**, and the Benefit Cap, which restricts the support any household can receive where no one is working or claiming disability benefits.

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Cuts and caps on benefits cause harm and are ineffective

Our research has shown that these restrictions do not work. The two child limit is **not helping families get into work** nor is it affecting **fertility rates**. The benefit cap harms **mental health**, pushes people deep into **poverty** and increases **economic inactivity**. Both policies are punitive and need to be removed.

On top of this, various reforms to disability-related social security have likewise left people **hungry**, pushed people into **economic inactivity, increased depression**, and may have even increased the **suicide rate**.

The workplace is becoming more hostile to disabled people

More broadly, while disability-related spending has gone up, the **overall welfare bill** has not. On top of that, the proportion of people who are **not in work** and who are claiming disability-related social security is about the same as it has been for the **last 40 years**. Indeed, the fact it is so low, given both population ageing, could be read as good news. Moreover, these trends also ignore wider changes in the labour market. There has been a rapid decline in **“light work”** and as work environments have become more intense people with disabilities have found it increasingly difficult to **stay in work**.



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So, what would work? The truth is we know far more about what does not work than what does. But **the best evidence** we have right now suggests that (i) making it more difficult to claim social security and (ii) placing even more strenuous work-search requirements on claimants will very likely push people with poor health (particularly mental ill health) further away from the labour market. Indeed, there is a real possibility that government are trying to solve the wrong problem. They are focusing on those who are out of work when it is increasingly clear that one big reason people with disabilities are not in employment is because work environments have fewer roles they can fill.

Overturning the welfare narrative

Behind the cuts currently being trailed is a popular but ill-founded logic which views social security as too expensive and the cause of the country’s economic woes. Welfare is seen as part of the problem, with whole generations supposedly left parked on what is depicted as too easy to claim and too generous support.



Britain's social security system has been stripped to the bones: it provides neither security or enough support to those who receive it and is ripe for reform.



But this narrative grossly misrepresents what it's actually like to try and claim social security. It is, in fact, **notoriously complex**. Often, this complexity is intentional. Making accessing social security difficult is not necessarily (or always) about meanness, but this **nasty strategy** is a product of a system that assumes that many are not eligible for the support they claim.

The system has always assessed eligibility for benefits, but the way these assessments have been done in recent years has often been experienced as **degrading and dehumanising**. On the flip side, some have claimed that people are not being assessed regularly enough and suggest that some people who have claimed benefits in the past may now be fit to work. Where this is true, is unclear, but the failure to reassess is also a product of and cuts to this system – taking more money out will not address this problem either.

Britain's social security system has been stripped to the bones: it provides neither security or enough support to those who receive it and is ripe for reform. But the reform required is not of the type Labour is proposing, which will succeed only in further decimating what little remains of our public safety net.

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