



Deborah James

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Work, welfare and debt in precarious times

*The conditions the state places on those receiving welfare are often too rigid to reflect the malleable circumstances of recipients' work and private lives. **Deborah James** describes how people can end up in enormous amounts of debt to the state when it – many times wrongly – decides welfare beneficiaries violated some of those rigid conditions. “Clawing back” what is rightfully theirs can be an agonising process battling the state and other debt collectors.*

Spreading it around: a new look at redistribution and tax

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In 2014, a woman called Donna was seeking help from an adviser for her debt problems. Working part-time, Donna had earned her own living. But now, afflicted by depression in the wake of a relationship breakdown, and with dwindling wage-earning capacity, she relied on various systems of state support: a mosaic of benefits that had waxed and waned over the years, two of them oriented around her status as mother to her two children. Loans from commercial companies did not feature: instead it was to the state that she owed a fairly substantial sum: the Department of Work and Pensions (DWP), had demanded that she repay £20,000 in Housing Benefit and £4,000 for Employment Support Allowance, since she was deemed to have been “overpaid” by the welfare system. The reason why she (like others) was being particularly fiercely pursued for these payments was because, although technically single, she was seen as having misrepresented her living situation. Her ex-partner, who had moved out to live with his grandmother, occasionally stayed at the house to help look after the couple’s children, and DWP considered that, since he was using

that postal address, he was still living with her. It was on these grounds that they had demanded repayment of her “debt to the state”.

In order to provision her household and care for their children, Donna was relying on patching together a livelihood from three interrelated sources of income: work, welfare and debt. This interrelation was acknowledged in **policy circles**. Welfare design in the UK was *not* thought of as substituting for the lack of work: instead it recognized that many beneficiaries are simultaneously wage earners. Its vision was of a world in which risks were shared over the life cycle and where, as **John Hills** put it, “you could not neatly divide the population into those who paid and those who received”. Fieldwork conducted between 2015-2021 in British advice offices, by research fellow Alice Forbess and I, revealed that this neat division is still in place, but that assumptions commonly made—in which people are seen as earning an income primarily through wage work, with redistributive arrangements, in the form of welfare benefits, being set in motion by the state only to counteract the lack of work—are too simplistic. In fact, since wages and state subsidies payments are often inadequate, and in an era where the boundaries between income-generating employment, (public) welfare and (private) debtfare are increasingly blurred, people in the low-wage sector must exercise ingenuity in seeking access to resources that support their reproduction and their future plans for stability and well-being.

Subsequent to the founding of the UK’s welfare state there has been an ideology of **austerity** implemented by a succession of governments. This, together with the financialization of the way benefits are delivered (and later recouped), has altered the relationship between what is earned through work and what is redistributed by the state to compensate for the loss of such work. From about 2016, debt advisers noted that their clients, as in the case presented here, were now less troubled by debts to conventional commercial lenders than by being in arrears because of “priority debts”, including debts to the state of which they were often unaware until being notified by letters with **“overpayments” demands**. Not only were such demands motivated by calculations that a welfare beneficiary had earned “too much” but also, as shown in the example of Donna, by ideas about the correct structure of households. This is why Donna found herself in arrears to the local authority, the taxman, the central welfare department.



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Government agencies, here as in the **US** and **Australia**, have followed a “pay now, establish entitlement later” system. If recipients are found, in retrospect, not to qualify, they must return what was “overpaid”, often by having it deducted from another benefit, or from future welfare payments. The means through which these overpayments were being recouped was mostly via debit orders and automated deductions from future welfare payments. Financial inclusion, a means for delivering welfare, was now providing a means for the authorities to “claw back” payments they deemed—not always correctly—to be unwarranted. The sudden suspension, reduction, or demand for repayment of one benefit is here, in effect, a penalty—especially in cases where the overpayment demand turns out to be mistaken—for not fulfilling the conditionalities attached to another. Even where the demand is *not* mistaken, the sudden demand for amounts of up to £20,000 can place severe strain on recipients of welfare. This can occur, for example, when people try to switch from depending on benefits to work for wages, as encouraged (and stipulated) under welfare “reforms”. But it is not only changing patterns of work that are at issue. It is also state rigidity when confronted with the malleable character of the household among low-income families. Circumstances shift with the changing cohabitation patterns of couples with children. Judgements about these—dubbed “living together” or “undeclared partner” cases—affect women disproportionately. The authorities, as Sam Kirwan points out, mistrust any **claims** that a husband or partner’s presence in the household might be misreported by mistake, so they automatically suspect fraud. This can be seen in Donna’s case. A “single claimant” like her, it is assumed, ought rightly—together with the partner with whom she is reckoned to be “living together as a married couple”—to be part of a joint claim. When the authorities found out about Donna’s partner staying over, they assumed she had intentionally misled them, and demanded money back. Households everywhere, as noted by anthropologists, are flexible and have blurred boundaries: but here, the state, in recouping these payments, is effectively **dictating the composition of families**.

How, then, do people try to “claw back”? In Donna’s case, it was an adviser, interacting with **welfare** beneficiaries, who helped to make overpayment demands intelligible. Much of the counsel that advisers offer challenges “**debts** they had incurred from the incorrect award—and reclaim—of benefits”, while helping people to honour genuine, inescapable commitments. Armed with reams of paper documents and the official letters that they ask their clients to bring along, they help to disentangle those demands that are deemed legitimately payable from those—within the flawed logic of the “pay now, establish entitlement later” system—made in error. Such demands can, in some cases—through phone calls and emails to the relevant department—be challenged on the grounds of official error. Alternatively, “benefits” can become repayable “debts”, with the welfare-receiving household reconfigured as a debtor and referred to a debt adviser, paid for by a different funding stream. Such advisers can help to mitigate the most egregious effects of demands to repay large amounts of accumulated funds. They do so by offering a schedule of affordable and temporally staggered payments, transforming these into items of which a frugal budgeter can, in the end, make a calculative reckoning.

In the absence of regular, paid work, women such as Donna have had to engage a kind of “patchworking”: an activity which, not unlike labour, involves strenuous, time-consuming and relentless activity. And part of that activity involves “clawing back”. As financial companies—or even the state, as in the case presented here—attempt to extract excessive payments from low- or no-wage people; in a kind of arms race, those people in turn make efforts to resist unfair demands. Advice officers, the mostly unrecognized heroes of my story, help them to do this clawback.

The **book** on which this text is based will be **launched at LSE on 13th November**.

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About the author

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Deborah James FBA, is Professor at the Department of Anthropology, LSE. She is anthropologist of economy—especially indebtedness and advice—doing research in South Africa and the UK. Her most recent book (2025) *Clawing Back: A New Anthropology of Redistribution in Precarious Times*, whose themes were also discussed in jere 2025 Firth Lecture, she explores how people in both these countries patchwork together a livelihood from the triad of debt, wages and welfare, showing the crucial role of advisers, law clinics and small-scale brokers in helping people to gain (or keep hold of) what they feel is their rightful share.

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