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# ***Following or leading public opinion? Social security policy and public attitudes since 1997***

JOHN HILLS\*

## ***Abstract***

This paper examines New Labour's social security and related policies since 1997 in the light of evidence on public attitudes. The list of measures where policies have been in or have come into line with public attitudes is much longer than the list of measures where policies have been out of line with public attitudes or appear to have led them. One interpretation is that policy has been led by opinion surveys and focus groups with opportunities lost to take more radical action and then persuade people of the need and justification of it. An alternative would be that policy has navigated with the grain of some of the more progressive parts of public opinion to achieve a result which has carried the public with it, in a way which would not have been sustainable if there had simply been an increase in the generosity of an unreformed social security system.

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## I. INTRODUCTION

This paper examines New Labour's social security and related policies since 1997 in the light of evidence on public attitudes towards the policy choices involved. This evidence is drawn from the *British Social Attitudes* (BSA) survey, conducted annually by the National Centre for Social Research. The survey is of a representative sample of around 3400 households, although some questions are asked only of sub-samples of one-third or two-thirds of the total.<sup>1</sup> One of its strengths is that it provides consistent time series of responses for what is now nearly two decades. Its design also involves the use of related but slightly different questions to draw out subtleties in responses depending on precise wording. More detail on some of the material presented here, drawn from the 1998 and 2000 surveys in particular, can be found in Hills and Lelkes (1999) and Hills (2001).

In reviewing policy in this area since May 1997 (see, for instance, Brewer, Clark and Wakefield, 2002) several characteristic features stand out as differences either from policy under Conservative governments before then or from what might have been expected from an "Old Labour" administration of the 1960s or 1970s:

- Overall, welfare policy can be characterised as a combination of "selective universalism" and a "patchwork assault on poverty". Certain universal welfare services and benefits have been protected and expanded, but not all of them.

What is now quite a long list of different measures has been introduced which can

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<sup>1</sup> For further details see Park *et al.* (2001), Appendix 1, including (pp. 272-276) a discussion of sampling errors and confidence intervals. As an example of the latter, the figures for the extent of poverty in Table 4(a) have 95 per cent confidence intervals from 60.2-64.3 for "quite a lot" (shown as 62) and 32.8-37.0 for "very little" (shown as 35).

be seen as countering poverty and social exclusion, but the approach has varied between different groups and different factors believed to drive poverty and deprivation.

- As part of this, there has been no across-the-board increase in social security benefit rates which, as a default, have remained indexed to prices only, rather than raised in real terms or in line with some measure of incomes or earnings. Parts of the social security budget have been branded as “spending on failure”.
- Ministers have (until very recently) strenuously avoided use of the word “redistribution”, even though this could be a reasonable description of the impact of the tax and benefit changes which have been announced, particularly if one takes account of the likely impact of some of the revenue measures, such as taxation of pension funds, which have contributed to their funding (Piachaud and Sutherland, 2002; Brewer *et al.*, 2002).
- While a great deal of attention has been paid to poverty and to the gap between low and average incomes, there has been little sign of concern about inequalities in income at the top of the distribution. Both the 1997 and 2001 election manifestos committed the Government not to increase income tax rates (and indeed the basic rate was cut, although rates of National Insurance Contributions will rise from April 2003).
- There has been strong emphasis on “work as the best form of welfare” for the unemployed and others of working age, with the New Deals forming the centre of a work-based strategy emphasised by the sharp distinction embodied in the slogan “work for those who can, security for those who cannot”.
- A major objective in this area was given by the Prime Minister’s pledge in March 1999 to “end child poverty” within 20 years, and subsequent refinements of this,

including giving the Treasury and Department for Work and Pensions a specific target of cutting the proportion of children in households with relatively low incomes (below 60 per cent of the median) by a quarter by 2003-4.

- As part of the strategy for achieving this, benefits for families with children have been reformed to develop into a benefit and tax credit system embodying a more generous mix of means-testing, universal benefits, and “affluence-testing” (where those on the highest incomes receive less than those on average or lower incomes).
- Before this trend started there were cuts announced or implemented in New Labour’s first year (1997-8) for certain disability benefits and specific allowances for lone parents.
- As part of its agenda that social security should reflect both “rights and responsibilities” of claimants, there has been a steady increase in conditionality for benefit receipt, for instance, obligations on unemployed people to take part in aspects of the New Deals or on other groups to at least attend “work-focussed interviews”.
- As part of a strategy for “making work pay”, tax credits for those in work have been made more generous than their forerunners, the National Minimum Wage was introduced in April 1999, and aspects of the direct tax system (such as the structure of NICs) were reformed to reduce taxes for the low paid.
- Pension reforms have concentrated on increased generosity of what was Income Support for pensioners (now the Minimum Income Guarantee), on changing the structure of what was the State Earnings Related Pension Scheme to favour those with low lifetime earnings in the long run (Agulnik, 1999), and on the future Pension Credit aimed at giving additional assistance to those with small amounts

of private pensions or savings, but who are currently above Income Support levels. There has been a marked reluctance to increase the universal basic pension in real terms, although real increases did take place in 2001 and 2002 and are likely in 2003 and subsequent years (if inflation remains below 2.5 per cent). There has also been a number of special payments for older people, including Winter Fuel Payments and free TV licences (for those over 75), again reflecting a reluctance to raise the basic pension across the board.

The rest of this paper looks at how these policy choices match up to public attitudes, looking in turn at the balance of public spending, poverty and inequality, the treatment of the unemployed, and the structure of social security benefits.

## **II. THE BALANCE OF PUBLIC SPENDING**

One of the best known findings of the BSA survey has been the consistent balance respondents have shown since the late 1980s in favour of higher public spending on “health, education and social benefits”, even if this means higher taxes. Through the 1990s nearly two-thirds of respondents favoured this option, around one third the status quo of leaving the balance as it was, and only one in twenty or fewer opted for lower spending, even if it allows lower taxes. In 2000 the proportion favouring more “tax and spend” had dropped somewhat to exactly 50 per cent of respondents, with 40 per cent favouring the status quo and 5 per cent lower spending (Mulligan and Appleby, 2001). As has been discussed elsewhere, this general finding has to be interpreted with some caution (and certainly Labour politicians believe it should be):

- Responses change if the personal consequences of higher taxes are spelt out directly, with fewer calling for higher spending if this is done (see, for instance, Brook, Hall and Preston, 1996). However, balances in favour of increased health (in particular) and education spending survive this.
- Second, favouring “more” spending does not necessarily mean “much more” spending. Notably, respondents to the British Election Studies tended to put themselves to the right of their perception of Labour policies on the tax-spending issue up until after Tony Blair became leader in 1994 and disavowal of “tax and spend” became a hallmark of New Labour. By 1997 roughly equal proportions said they were to Labour’s left and right on this trade-off (Heath, Jowell, and Curtice, 2001, table 6.4).
- Third, there are strong and increasingly sharp preferences within different kinds of social spending, discussed in more detail below.

Table 1 shows what respondents have listed as their highest priority for extra government spending since 1983, confirming the well known dominance of health spending since the late 1980s, followed by education. By 2000, four-fifths put health as their first or second priority. Two-thirds did so for education, but in most cases as their second priority. But notably for this paper, social security benefits – never a high priority – have fallen down the list since the 1980s. Only 7 per cent would put them as their first or second priority by 2000 – now also behind housing, police and prisons, and public transport. These changes in priorities have occurred despite – or

possibly because of – relatively little change over the period in the scale of the main spending items in relation to national income.<sup>2</sup>

Within social security there are equally sharp – and widening – preferences, as Table 2 shows. More than half of all respondents (not just those giving priority to social benefits) now list retirement pensions as their highest priority, followed by benefits for disabled people and child benefits. Benefits for the unemployed are now the lowest priority within the five types listed, only 5 per cent giving them as their top priority in 2000.

This ordering of preferences is confirmed in Table 3, showing results from the 1998 survey. Despite the relatively low ranking of social security benefits as a whole for extra public spending, and despite it being stressed that higher spending could lead to higher taxes, more than two-thirds said that they would want more (but few, “much more”) spending on benefits for carers, disabled people, retired people and parents who work on low incomes. Only for the unemployed did a larger group want lower than wanted higher spending.

Putting all this together, there is very clear evidence that the general public is – as policy has been since 1997 – highly selective about spending priorities. Within this, social security is a relatively low priority item. However, certain parts of social security are none the less favoured for extra spending, particularly pensions and benefits for carers and disabled people. It might be noted in passing that these groups,

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<sup>2</sup> Health spending was 5.0 per cent of GDP in 1984-5, fell to a low point of 4.7 per cent in 1988-9, but had grown to 5.5 per cent by 2000-1. In the same years education spending was 4.9 per cent, 4.6 per cent and 4.6 per cent of GDP respectively, while social security spending fell from 11.9 per cent of



with benefits for children, account for the overwhelming majority of the social security budget. Part of the reason for the low priority for “social security” as a whole may be the dislike of spending on unemployment benefits which these results show, and the impression that these form a much greater share of the total budget than they do in reality.<sup>3</sup>

### III. POVERTY AND INEQUALITY

The summary at the start of this paper suggests that since 1997 the Government has been much more concerned with poverty and inequality at the bottom of the distribution than with overall inequality, or with incomes at the top. It is harder to see such a distinction within the data from the BSA surveys. First, a very high proportion of respondents agree with the statement that, “thinking of income levels generally in Britain today, the gap between those with high incomes and those with low incomes is too large”. 72 per cent agreed with this back in 1983, rising to 87 per cent in 1995 (Spencer, 1996). By this time, of course, overall income inequality had risen considerably (see for instance Figure 7 in Brewer *et al.*, 2002). More than four-fifths – 82 per cent – continued to agree that the gap was too large in 2000. This aversion to existing inequalities is not only enduring, and even strengthening, it is also high in international terms. In comparable surveys in seven countries in 1987, only those in Austria were more likely to agree that differences in income in their country were too large (Evans, 1993). Nor is inequality seen as functional. In the 1999 BSA survey, 58 per cent agreed that “inequality continues to exist because it benefits the rich and

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GDP in 1984-5 to 10.3 per cent in 1988-9, recovering – partly as a result of increases in the real value of some benefit rates - to 11.0 per cent in 2000-1 (HM Treasury, 2002, Table 3.5).

powerful”, and only 14 per cent disagreed. At the same time almost as many, 54 per cent, rejected the idea that “large differences in income are necessary for Britain’s prosperity”, with only 17 per cent agreeing (Jowell, *et al.*, 2000, p.324).

Not only are income differences between rich and poor too large and unnecessary in the view of most, but people see it as Government’s responsibility to reduce them: 73 per cent of respondents to the 1998 survey thought it “definitely” or “probably” Government’s responsibility to do so, with 17 per cent thinking it was not. On a slightly differently worded question in 1999, 65 per cent agreed that it was government’s responsibility, and only 14 per cent disagreed.

The survey also suggests that the majority sees poverty as a significant problem. The first panel of Table 4 shows the responses when people were asked to choose between two positions – that “there is very little *real* poverty in Britain today” or that “there is quite a lot”. A majority has said that there is “quite a lot” since the question was asked in 1986. Agreement seems to have peaked (along with some other concerns about inequality) in the mid-1990s, but still 62 per cent agreed in 2000, with only 35 per cent preferring the statement that there was “very little”. Furthermore, people see the level of poverty as having been rising. In 1994, 68 per cent thought that poverty had risen over the previous ten years, 24 per cent that it had stayed the same and only 6 per cent that it had fallen. By 2000, about as many (38 per cent) thought that poverty had stayed the same over the 1990s as thought it had risen (37 percent), while 20 per cent thought it had fallen. As can be seen from the third panel of Table 4, views on these questions are generally more consistent with notions

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<sup>3</sup> In analysis of the 2001 *BSA* survey, Taylor-Gooby and Hastie (2002) show that 71 per cent of respondents thought that benefits for unemployed people represented the highest or second highest item

of a relative poverty line which rises in some way with general living standards rather than one which is fixed in absolute terms.<sup>4</sup>

All this suggests support for the aims of an anti-poverty strategy – and possibly for more radical action than New Labour has entertained towards overall income inequalities. But it does not tell us *how* people think this can be achieved. Here Figures 1 and 2 show some dramatic changes in responses since the late 1980s. Back in the late 1980s, 60 per cent of people said that, “Government should spend more on welfare benefits for the poor” – four times as many as disagreed. Since then the balance in favour of the proposition has steadily dwindled, until by 2000 fewer than 40 per cent agreed, while 30 per cent disagreed.<sup>5</sup> The second figure shows, if anything, an even sharper drop in support for ideas of “redistribution”. As recently as 1994, half of respondents agreed that, “Government should redistribute income to the less well off”, while only a quarter disagreed. By the end of the 1990s the two positions were almost balanced; in 2000 only 39 per cent agreed while 36 per cent disagreed. Note that this decline in support for “redistribution” has come despite there having been comparatively little change in the overall level of income inequality in the 1990s (see, for instance, Brewer *et al.*, 2002, figure 7).

It is tempting to characterise these responses as a demand for the “redistribution by stealth” which New Labour has been accused of carrying out – people want the Government to do something about inequalities and think poverty,

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in the social security budget, even though they were actually only 6 per cent of total spending.

<sup>4</sup> Other related questions generally show a similar pattern (Hills, 2001).

<sup>5</sup> Note that there is little evidence that the most recent increases in certain benefit rates have affected the long-term trend shown in Figure 1. For instance, the first significant increases in Income Support rates for families with children aged under 11 were announced in the 1999 and 2000 Budgets, coming into effect in October 1999 and April 2000. There is no sign of any particular effect of these changes

probably seen in what amounts to relative terms, is a problem. But the language of “welfare benefits” and of “redistribution” no longer has the resonance it would have done in the late 1980s. What we return to below is the problem of ascribing any causality here – has New Labour modified its language since 1994 as these public views have changed? Alternatively, has the abandonment of the rhetoric of redistribution by Labour politicians (at least, until Tony Blair used the word in a speech in September 2002) contributed to the change in the climate of opinion?

#### **IV. THE UNEMPLOYED AND THE BENEFITS SYSTEM**

It is natural then to ask where this antagonism to social security benefits for the unemployed – their low priority as far as potential increases are concerned, and the greater numbers wanting lower than higher spending shown in Table 3 – comes from? First, is it that they are seen as being over-generous, in the sense that they provide more than enough to keep people out of poverty? Not so, according to the responses given in Table 5. The BSA surveys have shown that there are important differences between what people think of the adequacy of some social security benefits when asked about them in abstract, and what they think when they are told the specific amounts. In 1998, for instance, the proportion saying that a married couple had enough or more than enough to live on was 37 per cent if they were said to be on “unemployment benefit”, but only 18 per cent thought this when the then amount of Income Support was given. Similarly, when the 2000 survey asked about a 25-year old unemployed woman living alone, whose only income comes from “state benefits”, more than half, 56 per cent, described her as “really poor” or “hard up”, but a third

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on responses to this question between 1998 and 2000. Notably, agreement with this statement fell throughout the earlier part of the 1990s, when real benefit rates were generally static.

said she had enough or more than enough to live on. When the actual amount of benefit, £52 per week after rent, was specified, the proportion saying this was not enough to live on rose to 68 per cent (mostly as a result of a decline in the number who “don’t know” when asked just about state benefits). The pattern is something of the reverse for the single mother shown in the table (as it is also for pensioners). 68 per cent think an unemployed single mother whose only income is from state benefits is really poor or hard up. When the actual amounts are specified, the proportion falls to 53 per cent.

Such results suggest two things. First, people’s mental image of benefits for the unemployed is of them being more generous than they really are (in contrast to those for lone parents and pensioners). But even when the amounts were not spelt out, most people in both surveys said that unemployed people living on state benefits were either very poor or hard up. Over-provision is not in itself the main driver of lack of enthusiasm for more spending on unemployment benefits. Rather, the issue seems to be concerns about the operation of the benefit system. Table 6 shows the responses over time to three questions about the possibilities of fraud and disincentives in the welfare system. Whereas in the 1980s and early 1990s, more disagreed than agreed that people would “learn to stand on their own two feet” if benefits were less generous, by 2000 the balance was reversed. Similarly, in 1987 fewer agreed than disagreed with the strong statement that “most people on the dole” were fiddling in one way or another; by 2000 40 per cent agreed and only 28 per cent disagreed. The final question shows more dramatic shifts. As Figure 3 shows in more detail, responses to whether, “around here most unemployed people could find a job if they really wanted one” moved up and down with the economic cycle: in 1993 with

unemployment at a peak, only 27 per cent agreed and 52 per cent disagreed. By 2000, with unemployment almost halved, more than three times as many agreed with this statement as disagreed.

Combining these findings, large groups clearly believe that unemployment benefits are not enough to live on *and* that the benefit system embodies disincentives (and is open to fraud). Figure 4 shows what happens when people are forced to say which of the following two statements comes closest to their own view:

*Benefits for the unemployed are too low and cause hardship*

*Or, benefits for unemployed people are too high and discourage them from finding jobs.*

Up to the 1996 survey the balance lay clearly with the first of these. Around half favoured the statement that benefits were too low, compared to less than a third favouring the “too high” option (and around a tenth agreeing with neither). But the 1998 survey gave a dramatically different result, with nearly half now favouring the “too high” option, and only 29 per cent saying they were too low. Perhaps suggestively, the responses to the partial *British Social Attitudes* survey carried out in early 1997 and shown in the figure suggest that most of the switch occurred *after* the 1997 election. The balance was maintained, but with a narrower gap in 1999, but by 2000 the positions had reversed again, with the “too low” option regaining a narrow lead. Unemployment itself showed no such wild swings over the 1996-2000 period, continuing to fall steadily (Figure 3). Nor can changes in benefit *rates* explain the

pattern shown in Figure 4. Benefit rates for the adult unemployed stayed roughly constant in real terms through the 1990s. The most important changes affecting the unemployed were the real increases in additions for younger children to Income Support and means-tested Job Seekers Allowance in October 1999 and again in April 2000. These can hardly explain the switch back towards seeing benefits for the unemployed as being too low between 1998 and 2000.

What are we to make of this? First, analysis of the survey shows that the likelihood of someone agreeing with the statement that unemployment benefits are too high is greater if they believe that the system creates disincentives to work, and also if they believe the system is subject to widespread fraud and abuse. This is confirmed when one matches attitudes to the kinds of statement shown in Table 6 with those to the choice in Figure 4. Where people *agree* that “most people on the dole are fiddling in one way or another”, or that “around here most unemployed people could find a job”, or that “if welfare benefits weren’t so generous, people would learn to stand on their own two feet”, they are much more likely to choose the “too high” option (Hills, 2001, table 1.15). By contrast, if they *disagree* with the statements, they are much more likely to favour the “too low” option.

So the trends shown in Table 6 do go some way to explaining the growing reluctance to favour higher welfare benefits and part of the change in the balance of views shown in Figure 4. However, they cannot explain the dramatic switches in balance between 1996, 1998 and 2000.<sup>6</sup> More detailed analysis shows the same

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<sup>6</sup> The changes between 1996 and 1998 and then between 1998 and 2000 are statistically significant. For instance, 95 per cent confidence intervals for the proportion saying that benefits for the unemployed were “too low” were from 26.8-31.2 per cent in 1998, but from 37.6-42.6 per cent in 2000.

switches (albeit from different starting points) first towards the “benefits too high” option, but then back towards the “too low” option for people whether they agree or disagree with the statements in Table 6.

Suggestively, however, if one disaggregates the results by political identification, the biggest switches in the balances in both directions are for the *Labour* identifiers (Hills, 2001, table 1.16). The 1998 survey followed a period during which newly elected Labour ministers, such as Welfare Reform Minister Frank Field, had been making a series of speeches highlighting the extent of problems with the system of benefits for the unemployed in the run-up to publication of the welfare reform Green Paper. The Green Paper itself stressed “fundamental problems” of people being trapped on benefit and of fraud (DSS, 1998, p.9). For some Labour identifiers, hearing these kinds of statements from a Labour, as opposed to a Conservative, government, may have shifted the balance of their opinions from those held up to 1996 and early 1997<sup>7</sup>. By 2000, the political prominence of these issues had declined, and views appear to be reverting to where they were before.

This does not mean that people are necessarily indifferent to the position of the unemployed. Rather, they favour a different kind of strategy – one based on finding work for them. In the 2000 survey, three-quarters of respondents said that it should definitely or probably be “government’s responsibility to provide a job for everyone who wants one”. Support for this strong statement (by comparison with

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The corresponding intervals for the “too high” response were 43.9-49.0 per cent in 1998 and 33.9-38.5 per cent in 2000 (Jowell *et al.*, 1999, p.247; Park *et al.*, 2001, p.275).

<sup>7</sup> Of course, as the *BSA* survey is not a longitudinal one, it cannot track changes in attitudes of the *same* people from year to year. The proportion of the samples in identifying with Labour in the three years was very similar (42, 44 and 41 per cent respectively), but it is possible that changes in the composition of this group might explain some of the reported shifts in attitudes.



actual policies) had increased since the 1998 survey (when 65 per cent agreed). People appear to back the slogan, “Work for those who can, security for those who cannot” (although two-thirds agreed in 2000 that it is difficult “these days for any government ... to ensure that everyone who wants a job has one”, and only 15 per cent think it easy).

Along with backing for a work-based strategy for the unemployed, people tend to back moves to “make work pay”. In the 1999 survey, 88 per cent of respondents agreed (53 per cent “strongly”) that, “It is right that the law should set a minimum wage so that no employer can pay their workers too little”. Only 6 per cent disagreed. Prompted with a potential drawback, still only 16 per cent said they agreed that, “There should be no minimum wage because it will mean that too many low paid workers will lose their jobs”, while 61 per cent disagreed (Jowell, *et al.*, 2000, p.329). Table 7 also shows increasing support for the principle inherent in the Working Families Tax Credit between 1998 and 2000 – but only where there are children in the family. Only a minority think that the government should top up the wages of couples without children, which is what the new Working Tax Credit will do from April 2003.

## **V. THE STRUCTURE OF SOCIAL SECURITY**

In principle, social security benefits (and tax credits) can relate to present and past incomes in a number of ways. Means-tested benefits, such as Income Support, are higher for those with low current incomes. “Affluence-tested” benefits, such as the age allowance in income tax or the Children’s Tax Credit applying in the tax years

2001-2 and 2002-3 can be the same for all except those with the highest incomes.<sup>8</sup> Flat rate benefits, such as Child Benefit, are the same regardless of income. Earnings-related benefits, such as the State Earnings Related Pension (SERPS), are greater for those who had *higher* incomes in the past, and hence paid higher social insurance contributions.

Under New Labour, the way in which the balance between these has shifted has been ambiguous (see Brewer *et al.*, 2002, section 3.2). The 1998 BSA survey gives some clues as to general opinions on this, which can be seen in Table 8. For unemployment, a large majority backed the idea of flat rate benefits irrespective of past earnings. There is little call for the restoration of earnings-related supplements of the kind that were abolished in the 1980s, but remain common in Continental social insurance-based systems; nor has this been part of Government policy. For disability benefits – looking here at current incomes – the majority, but a less strong one, also backed flat rate benefits rather than means-testing.

But when it comes to benefits for children, a narrow majority thought that they should be *lower* or not given at all for those with “very high earnings”. The structure of the Child Tax Credit as it will emerge in April 2003 may represent a compromise which accords with this mix of opinions – flat rate Child Benefit as a base, increased by an affluence-tested element for most, and then an income-tested addition for those with modest, low or no earnings.

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<sup>8</sup> Strictly speaking, these are not simply affluence-tested, as they only accrue to income taxpayers, not to non-taxpayers. However, the element of the Child Tax Credit replacing the Children’s Tax Credit will extend to all except those with the highest incomes.

For pensions, policy appears much less in touch with public attitudes. First, as the table shows, a large majority backs a flat-rate “state retirement pension”. There is dissonance here with the down-grading since (and before) 1997 of the flat rate basic pension in favour of Income Support and the future Pension Credit. On the other hand, the shift from SERPS to the State Second Pension, whose level will depend much less on past earnings, was in line with the majority view.

Not only do public views tend to favour a flat-rate structure for state pensions, they also want them to be higher. In the 2000 survey, four-fifths of respondents thought that it was *definitely* government’s responsibility to provide a decent standard of living for the old, and nearly all of the rest that it *probably* was. Further, rather more, 45 per cent, thought that this was very or fairly easy to do, than thought it was difficult (38 per cent). However, when retired respondents were asked about the adequacy of the present state pension, 51 per cent said it was “very low”, 32 per cent that it was “a bit on the low side”, and only 16 per cent that it was “reasonable”. Not one of the 590 retired respondents opted to say that it was “on the high side”. As tellingly, when asked what they expected their state pension would purchase in a year’s time compared to now, 61 per cent said less – despite the formal policy at the time of price indexation of the basic pension and faster increases in recent years in means-tested pensions. Only 28 per cent thought the pension would purchase about the same, and a mere 8 per cent that it would purchase more.

Up until the time of the survey in 2000, the Labour Government had maintained the policy of increasing the basic state pension only in line with inflation (which should, none the less, have prevented its value falling). Because of the low

rate of inflation, this included the very small money increase in the basic pension – only 75 pence per week for a single pensioner – in April 2000. The survey preceded the subsequent revolt at the 2000 Labour Party Conference, and the decision to make above-inflation increases in the basic pension in April 2001 and the following year.

Finally, what of the moves towards conditionality? Results from the 2000 survey (Hills, 2001, table 1.13) show majority backing for reductions – for most “cut a little” rather than “cut a lot” or stopped entirely – in benefits both for lone parents (with children aged more than five) and for long-term sick and disabled people who fail to go to a Job Centre when asked to talk about ways in which they might find work. Only for *carers* did the majority think there should be no sanctions if they failed to attend a work-related interview when asked.

## VI. CONCLUSION

The evidence reviewed in this paper suggests that the relationship between social security policies since 1997 and public attitudes can be broken down into four categories.

First, there are ten areas where policy appears in line with the preponderance of public attitudes:

- The overall priority given to increases in health and education spending, rather than social security as a whole.

- The strategy of only making selective increases in benefit rates.
- Concerns over social security fraud and potential disincentives.
- Increasing conditionality in benefit payments in terms of expecting claimants to attend work-focussed interviews.
- The priority given to reducing poverty, and operationalisation of that aim in relative terms.
- Introduction of the National Minimum Wage.
- The work-based strategy for the unemployed (although the majority would probably back more ambitious attempts to guarantee jobs in some way).
- The principle of wage top-ups for low paid parents with children (as embodied in the WFTC and future Child Tax Credit).
- The overall structure of higher child credits for those with low incomes and affluence-testing at high income levels.
- “Redistribution by stealth” – policies which favour those with low incomes but without labelling them as “redistribution”.

On the other hand there are three clear areas where the Government policy appears to have changed, catching up with public attitudes:

- Making real increases in the basic pension from 2001 (albeit only for a temporary period).
- Announcing tax increases from 2003 to pay for higher health spending.
- The implicit reversal in the switch from “purse to wallet” which was made when the Working Families Tax Credit – with payments intended to be made with wages – replaced Family Credit, which was generally paid to the mother.

Evidence suggests that this switch was not popular with recipients (Goode *et al.*, 1998). In response, first some groups were given the option of payment method, and now from April 2003 payments of the Child Tax Credit will normally go directly to the mother.

Third, it is hard to be sure of which has followed and which has led when views have changed, but the discussion above suggests two ways in which Government policy and rhetoric may have influenced or led public attitudes:

- The balance given between competing public concerns about the adequacy of unemployment benefits and their possible disincentive effects (see Figure 4) may have been influenced by ministerial rhetoric in the early part of Labour's time in office, an effect which has now partly worn off.
- The studious avoidance of talk of "redistribution" by New Labour since the early 1990s may have reduced the perceived legitimacy of such language (Figure 2); equally, this strategy may have followed a change in attitudes which was already under way.

Finally, there are five areas where policy appears – at present, at least – to be out of line with public attitudes – although, of course, it is possible that those attitudes may change later as people to follow the Government's lead:

- There is little evidence for backing of cuts in disability benefits of the kind which the Government implemented in its first year in office (1997-98).

- The emphasis which the Government has put on increasing means-tested, rather than universal pensions.
- Bringing in wage top-ups for low paid workers *without* children through the new Working Tax Credit in 2003.
- The lack of measures aimed directly at carers, the group most favoured for higher social security spending.
- The lack of concern for overall inequality, including incomes at the top, as well as at the bottom.

Overall, it is notable that the list of measures where policies have been in line with public attitudes or have come into line with them is much longer than the list of measures where policies have been out of line with public attitudes or appear to have led them. There is also some indication of several areas where public attitudes might favour stronger action than has actually been taken.

This lends itself to two interpretations. The first would be that policy has, indeed, been led by opinion surveys and focus groups, as some commentators have alleged, with opportunities lost to take more radical action and then persuade people of the need and justification of it. An alternative, less critical interpretation, would be that policy has navigated – perhaps rather timidly – to go with the grain of some of the more progressive parts of public opinion to redistribute incomes towards the bottom of the distribution. This has meant that a progressive strategy has carried the public with it so that it can be sustained, in a way which would not have been possible if it had simply consisted of an increase in the generosity of an unreformed social

security system as it was before. Readers will make their own judgement between these two interpretations.

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