Launched at LSE by CASE, in Social Policy in a Cold Climate: Policies and their Consequences Since the Crisis editors Ruth Lupton et al analyse the impact of recent Labour and Coalition government policies on inequality and the provision of key services, including health, education, housing and employment, since 2007. This volume particularly highlights the different iterations and definitions of inequality emerging in the ‘cold climate’ unleashed by the financial crisis, writes Chris McLachlan.

What might be the defining social policy moment of our current Conservative government? There are plenty of candidates so far. In healthcare, for instance, we are witnessing a sustained dispute over Junior Doctor’s work contracts. In terms of employment, April marked the introduction of the national ‘living wage’, bumping the minimum rate up to £7.20 for over-25s. Perhaps it will be the U-turn on tax credits in the early stages of the current government, after George Osborne found £27 billion down the back of the sofa. Or, better still, it could be the forcing of every school to become an academy regardless of their current performance level. Whatever moment it might be, social policy clearly impacts our personal wellbeing in both social and material ways.

It is this concern for the impact of social policy that is at the heart of Social Policy in a Cold Climate: Policies and their Consequences Since the Crisis. This edited volume assesses the progress of both the Labour and Coalition governments in ‘protecting the most vulnerable, sharing the burden of deficit reduction fairly, and delivering more equal access to services and more equal outcomes’ (3). This assessment takes place against the post-recession context (2007 onwards), otherwise known as the ‘cold climate’. The first part of the book takes each policy area in turn: benefits, pensions and tax credits; young children; schools; further and higher education and skills; employment policy; housing; health; and adult social care. The second part then develops the discussion into a broader understanding of how these policy areas have contributed to different levels and indicators of inequality.

What is evident is the steady ideological shift from Labour to the Coalition to the current Conservative government. For ideology, here read austerity. This is perhaps brought into its sharpest focus when considering the first chapter by John Hills, Paola De Agostini and Holly Sutherland on benefits, pensions and tax credits. Of course, we know that during the last election the Conservatives explicitly promised £12 billion of unannounced cuts to the welfare budget. This signalled a continued attack on welfare that had been set in train during the Coalition government with a range of cuts and reforms to specific benefits. These included, for example, a freeze on Child Benefit, a benefits cap of £26,000 and the infamous under-occupancy penalty (dubbed the ‘bedroom tax’). In addition, there were reforms that aimed to offset the loss of benefits and the inherent bureaucracy of the welfare system, notably in the increase in the Income Tax personal allowance (now at £10,600) and Universal Credit, respectively.

These cuts and reforms from the Coalition and Conservative governments have not gone unnoticed, not only with some vocal opposition in the ranks of the Labour party, but also through anti-austerity protests and campaigns up
and down the country. This is not a point addressed by the authors as their job is clearly to provide a more objective assessment, but the subtext is clear: austerity is damaging the access to, and the quality of, certain services. The authors provide sophisticated levels of analysis in proving this, presenting intricate data on spending levels and its impact since the recession. The headline argument as regards tax and benefits reform, however, is that the higher Income Tax personal allowance is not offsetting the loss of certain benefits that have been subjected to cuts. Strikingly, this lack of offsetting between tax and benefits has impacted those in the lower half of earners more than it has done for those in the higher half of earners.

There are some areas that we can be thankful for, as the data shows that the social security system was effective in protecting some of those with the lowest incomes in the immediate aftermath of the recession. The authors also note, however, that qualitative evidence highlights further hardship as a result of these specific tax and benefits reforms, which has been exacerbated through the greater use of benefits sanctions and the rise in the use of food banks. The description of the last two years of the Labour government (2008-10) as ‘progressive’ compared to the subsequent Coalition and Conservative governments as ‘regressive’ as regards tax and benefits, is testament to this attack on the welfare budget since 2010. Pair this with the emphasis on a rhetoric that celebrates hard-working ‘strivers’ whilst denigrating benefit-claiming ‘scroungers’, and it is clear that ideology has been disguised as economic necessity.

Both Labour and the subsequent Coalition sought to bring more people into work, with employment policies specifically targeted at reducing unemployment amongst the long-term unemployed (see Chapter Six by Abigail McKnight). With Labour we had the Flexible New Deal, which was subsequently scrapped by the Coalition with the introduction of the Work Programme in 2011. One key difference between these is that the Work Programme was delivered largely through private providers. This meant that the private profit motive was introduced – with the authors highlighting this in other areas such as education and healthcare – as private providers would be essentially rewarded for placing individuals into work. The authors discuss instances of ‘creaming’, whereby private providers focus their resources on easier-to-help individuals as they bring greater rewards. Those with particular disadvantages – such as people with disabilities – are ‘parked’, whilst easier-to-help individuals are dealt with first. This is clearly problematic, let alone unfair, and has been evidenced in this volume as a direct result of the Coalition’s employment policies.

Perhaps, then, the legacy of the current Conservative government will be the ideology of austerity and the increase of private provision in social policy. We are told that these measures are the result of – in the authors’ words – the ‘cold climate’ created by the recession. The volume concludes by highlighting that the country has become more unequal since the crisis, although the authors do well to distinguish between the different iterations and definitions of inequality (for example, in regions, household incomes, wealth and between genders and ages). Since the recession, for the most part, the rich are getting richer (or emerging intact), whilst the poor are getting poorer. It looks like it could be a long winter for effective social policy.

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Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.