

Book Review: Good times, bad times: The welfare myth of them and us

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*Two-thirds of UK government spending now goes on the welfare state and where the money is spent – healthcare, education, pensions, benefits – is the centre of political and public debate. Good Times, bad times says this debate is dominated by the myth that the population divides into those who benefit from the welfare state and those who pay into it – “skivers” and “strivers”, “them” and “us”. **Jon Dean** thinks this book makes a case for the importance of social science analysis purely through its quality; he has rarely been gladder to have read a book.*

Good times, bad times: The welfare myth of them and us. John Hills. Policy Press. November 2014.

Zombies are everywhere at the moment. They certainly seem to dominate aspects of our popular culture, but during a UK election campaign in which our politicians would rather talk about the imagined and the illusory, we are beset upon by policy zombies at every turn. Housing policy centres on the zombie of affordability and access to credit, whereas actually the issue is the amount of houses being built. And the NHS debate centres on scraping together enough funding to patch over current crises, when we should be developing a necessarily bold plan for the huge swathe of older people who are about to require long-term care at home, not in hospital. The most egregious zombie however is that of tax and welfare: that Britain is a hugely divided country, between a quiet, no-fuss, hard-working group of taxpayers, and a scrounging, cheating, lazy mob of benefit claimants sucking the life out of our public services. Such an idea has come to form much of our public debate over welfare, social support, and the role of government in our lives.

It also happens to be completely rubbish. And thankfully [John Hills](#), knight of the realm, professor at the London School of Economics, and zombie-slayer extraordinaire, has written the book that, if things are to change for the better, provides the reality of where we are, undercutting so much of the nonsense by which we are surrounded. Hills doesn't bring a sword, axe or flamethrower to the debate though. He brings a wealth of social policy analyses, statistics, and an ability to explain with clarity and verve why most of what most people think is wrong.

Drawing on research from a wealth of collaborators and colleagues (the acknowledgements section is very long), Hills's central point is that our lives are long and complicated, battered as they are by personal and social events. While we think we can't afford the poor, those who are wealthier are likely to live longer and therefore draw more from the state in pensions and use of the NHS, and are more likely to take advantage of free or subsidised education, and invest in savings with tax relief. Ultimately, Hills shows how “most of us get back something at least close to what we pay in over our lives”, and that any squeeze felt by middle earners is due to the richest taking a greater proportion of national income, not those at the bottom.





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A key tool in the book is the use of two fictional case study families, the working-class and frequently precarious Ackroyds, and the affluent and stable Osbornes. These (stereo)typical families were first used in 1989 in a television programme to document research by Julian Le Grand (an advisor on this book). Through creating realistic backstories for further generations of these families, Hills shows how each draws on and pays into the welfare state at various points in their lives. Each chapter is preceded by a detailed breakdown of how various changes (such as moving in and out of employment, fluctuating pension contributions, or having children at school) affects the amount the Ackroyds and the Osbornes are paying in and receiving from the welfare state.

Initially sceptical about this approach, I was won round because these parts are written so well, and merge with the book's policy content seamlessly, providing the reader with rounded illustrations of what a specific change does to a family's budget. For example, we read a meticulously detailed analysis of every penny of extra tax required and benefit cut, due to the freezing of some rates and the uprooting of others, under the Coalition's economic programme. Ultimately, we learn that the wealthier Osborne family have lost 0.7% of their annual disposable income, but the working poor Ackroyd's lost 6% of their income after housing costs. This is in accordance with the Institute of Fiscal Studies analysis which shows that while the richest 10% have had the largest cut to their income due to tax and benefit changes since 2010, the middle-class (the fifth to second decile groups), have been largely insulated from government cuts. With the relative protection of such groups (possibly the groups most likely to engender the worker versus shirker myth) we are left debating as 'up for grabs' (i.e. 'up for cuts') less than £40bn of the £489bn welfare budget. When we can only talk about £1 in every £12.50 we spend, something has gone terribly wrong.

In another pressing section, Hills explains and then analyses the new Universal Credit (UC) system for paying several benefits as one, in order to be more responsive to individual's personal situations. The logic for UC is set out straightforwardly and fairly (as Hills manages to be for the whole book), but it is hard not to read this lengthy analysis as anything other than a polite but comprehensive rebuke of Iain Duncan Smith's policy project. His analysis also shows how the rises in Tuition Fees since 2010 may lead to traps in UC, pointing out that the effects of the 'poverty trap' and marginal tax rates could be exacerbated by a family's income changing as one of their children is receiving a grant to attend university. Earning more could significantly lower a student's bursary, therefore either acting as a disincentive to earn more, or completely destabilising their ability to afford to attend. These "messy overlaps" are due to a lack of cohesive and thoughtful policymaking.

Like zombies, 'must reads' are everywhere. But Hills' book offers us a glimpse of a policy debate which has to

happen sooner rather than later, and makes a case for the importance of social science analysis purely through its quality. It is vitally important we are armed with facts and examples when we finally must face up to reality, and, frankly, I have rarely been gladder to have read a book. All hail the twenty-first century's Bruce Campbell.

Jon Dean is a lecturer in politics and sociology at [Sheffield Hallam University](#). He received his PhD from the University of Kent focused on the role of social class in youth volunteering. He writes about charity, inequality, and creative qualitative research methods. [Read more reviews by Jon](#).

Author Jon Hills gave a public lecture about his book at the LSE; [you can listen here](#).

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