

# *Why Universal Credit needs to be stopped and scrapped*

**By Bernadette Meaden**

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The designers of Universal Credit sold it as a simplification of the benefits system. This was understandably attractive and helped to establish a broad consensus that, despite its faults, it is on the whole a good thing.

This consensus must be challenged. What is becoming increasingly clear is that for many people, claiming Universal Credit (UC) can be fiendishly complex, demanding and oppressive.

To be fair, the designers of UC were quite open about their intention to use the benefit to bring about 'behavioural change'. Unfortunately, they were aiming to change the behaviour of people whose lives they had no knowledge of, and seemingly no empathy for. It is a system for poorer, less advantaged people, designed by relatively prosperous, privileged people, and thus destined to be fundamentally flawed and damaging from the outset.

Universal Credit will eventually bring this crass social engineering to seven million households in the UK, with the potential to tip them into financial chaos or destitution at any time.

Take self-employed people, for instance. In recent years, self-employment has **boomed**. This was celebrated by government because it helped to keep unemployment figures down and allowed politicians to claim credit, as if it was due to their brilliant management of the economy.

But people in the real world know that much of this self-employment is highly exploitative, simply a way of employers shifting risks, costs and responsibilities onto the shoulders of workers. For **example**, 'About a quarter of Parcelforce's 3,000 couriers are self-employed owner-drivers, meaning they are paid per delivery and must fund their own vehicle, fuel, insurance and uniform...some owner-drivers who take a day off due to illness, but cannot find cover, are being told they must pay Parcelforce £250 per day missed.'

These self-employed workers may have served their purpose in keeping the unemployment figures down, but they are **overwhelmingly** low paid and need to claim benefits to make ends meet. Under UC, this is seen as an undesirable 'lifestyle choice' which requires pressure to force 'behavioural change'.

On 6 February 2018, Alok Sharma, Minister for Employment, wrote to the Work and Pensions Committee on self-employment and UC's Minimum Income Floor (MIF). The MIF means that, irrespective of what they actually earn, a self-employed person will be assumed to be earning the equivalent of 35 hours a week at minimum wage, and their UC payment will be calculated accordingly.

The Minister **wrote**, “for many, self-employment is a life-style choice... our approach will be to monitor a claimant's employment and earnings throughout the self-employed claim...to assess whether the MIF changes behaviour...”

And on 28 February, challenged on the prediction (**on page 122**) by the Office for Budget Responsibility that 432,000 self-employed people will lose an average of £2,927 a year by 2023, he **replied** that it would "incentivise" them to "grow their earnings and become more productive and self-sufficient".

So whilst the DWP is happy for self-employment to keep the unemployment figures down, and finds the gig economy ‘**exciting**’ UC will impose rather onerous and intrusive **demands** on the very people whose earned poverty makes the gig economy possible.

Similarly, low-paid employees who claim UC and are judged not to be making enough effort to increase their earnings or hours will be subject to a sanction. In effect, they will be punished for not escaping the poverty pay which has become a feature of our economy in recent years. Nobody asked for their wages to be frozen or cut, but they will be treated as if it is their fault they can't survive on what they earn.

Claimants on UC can be closely monitored. Sarah Batty, a welfare rights specialist has **written** about this, and describes it as “digital hyper-surveillance” whereby people may have to account for how they are spending their time on a daily, even hourly basis. The example given is of a 54 year old woman who has to record when she has ‘an appointment’ with her daughter, and how long it takes, including travel time.

And what about children? Children who have two or more siblings will be **deliberately** deprived of support, as a punishment for the perceived fecklessness or irresponsibility of their parents. The two-child limit, (strongly advocated by father-of-four Iain Duncan Smith), is designed to influence the behaviour of poorer families by making them think twice about having a third child. No matter that a three-child family may be prospering, then a parent is suddenly hit by accident, illness or disability. As far as government is concerned, having three children and needing social security support is another lifestyle choice that needs to be discouraged by punitive treatment. Policy makers have been told this will cause child poverty to rise, with all the accompanying costs in areas such as health and educational attainment, but, apparently, so be it.

For disabled people, it is difficult to overstate how bad Universal Credit can be. As Mark Atkinson, Chief Executive of Scope **has said**, “Disabled people appear to have been ignored, with neither the design or implementation of Universal Credit recognising their circumstances.” Indeed, the designers of Universal Credit abolished both the Severe Disability Premium and the Enhanced Disability Premium, which were specifically aimed at meeting the additional care needs of severely disabled people living alone with no carer. Who would do that, and why? (some background to the thinking behind disability benefit reforms here <http://www.ekkleisia.co.uk/node/21751> )

It is calculated that on Universal Credit, some severely ill or disabled people, who are already more likely to be living in poverty than the general population, and have higher living costs,

will lose up to £395 per month. That is why Universal Credit is set to be **challenged** in the High Court by a terminally ill man, known only as TP.

TP's solicitor says, "We believe that by taking away these essential benefits from some of the most vulnerable people in society, the government has acted unlawfully. For my client who suffers from a terminal illness and is undergoing gruelling chemotherapy the additional benefits are quite literally a lifeline. At a time like this he should be focussing on his health not worrying about his benefits being axed by the DWP. We believe the safety net, which any one of us might need to rely on, is being unlawfully eroded by the way Universal Credit is being introduced"

And then of course, there are benefit sanctions. Current **figures** show that people on UC are far more likely to be sanctioned than people on the 'legacy' benefits it replaces. And of course, it is the least fortunate people who get the harshest treatment. We now know that jobseekers with an illness or disability are up to 53 per cent **more likely** to be sanctioned than claimants who are healthy and able-bodied. And as Kesia Reeve **writes**, "homeless people are disproportionately sanctioned... it is difficult to see the regime as anything but punishment – punishment not for refusing to participate in the labour market, but for being unable to do so through homelessness, poverty and ill-health."

These are just a few of the problems with Universal Credit. Far from being a mere simplification of a system, it is a form of social engineering which, alongside a rhetoric of setting people free from welfare dependency, turns social security into state supervision of the poor. It gives the state a larger role in the lives of people in poverty, and assumes the right to try to alter the behaviour of anyone on a lower income.

Previously, social security meant that, when we were able to, we paid tax and National Insurance, and when misfortune struck or we just needed a little extra support, we were entitled to it, with little stigma or suspicion attached. Conditionality existed but was not very onerous because benefit fraud was, and continues to be, a crime, and was punished accordingly.

But increasingly, to need support often means to forfeit one's right to privacy or respect, and Universal Credit seems to be the culmination of that approach. It needs to be stopped and scrapped, as a first step towards restoring humanity, respect and dignity to a system of genuine social security.

Disabled People Against Cuts has written a detailed letter about Universal Credit which people can send to their MP. It is available **here**

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