**The Double Crisis of the Welfare State and What We Can Do About It**

Peter Taylor-Gooby OBE, FBA, AcSS, FRSA, PhD

**Chapter abstracts**

1: **The Double Crisis of the Welfare State**

The British welfare state faces a double crisis: immediate cutbacks in response to the recession bearing most heavily on benefits and services for those on low incomes, especially women and families; , and longer-term pressures on health and social care, education and pensions from population ageing and other factors. Government decisions to focus the cuts on the most vulnerable exacerbate the first crisis. Policies which fragment and privatise the main state services in response to the second undermine the tradition of a universal welfare state. The cuts are deeper and more precipitate than any among comparable developed economies or for at least a century in the UK.

2: **Why Add Restructuring to Cut-backs? Explaining the New Policy Direction**

The new policies involve real political, social and economic risks. One explanation rests on short-term party- political considerations, another on an economics that prioritises deficit reduction against any other goal. Neither is convincing. Britain has moved from a European to a US pattern of social inequalities during the past 30 years, due to changes in work, in patterns of residence and in the overall power of capital against labour. These shifts combine with currents in public opinion and in mass politics that strengthen social divisions and erode support for inclusive welfare. They provide the opportunity for government to move decisively against the welfare state tradition and to entrench a radical, competitive and individualistic liberalism permanently in the national political economy.

3: **Addressing the Double Crisis: The Welfare State Trilemma**

It is hard to promote humane, generous policies in an unequal and divided society in which most people reject tax rises and are suspicious of the poor. Proponents of a more generous welfare state face a trilemma between inclusive goals, the cost of effective policies and public antipathy to claimants. The stigmatisation of poverty rests on the beliefs that the poor are irresponsible, work-shy and contribute little. Redistributive programmes which focus on children (not seen as responsible for their own poverty) and stress the capacity of other groups of claimants to contribute to society are more feasible. These need to be combined with social investment in child and elder care and education, preventive policies and ‘pre-distribution’ to raise bottom-end wages and strengthen workplace rights, and can only be carried through with political commitment and determined leadership.

4: **Responding to the Trilemma: Affordable Policies to Make Popular Mass Services More Inclusive**

The problems in addressing the long-term pressures on popular services for health care, education and pensions at first sight differ from those in ensuring generous and inclusive benefits to reduce inequalities and mitigate poverty among the stigmatised minorities most affected by cut-backs. The amounts required to sustain the popular mass services are large but in fact rather less than the spending increases actually achieved in those areas during the past 30 years. Spending at this level requires political commitment, but is feasible. The real problem for those who want better welfare is to ensure that less advantaged groups get the same outcomes from the services that everyone uses as the more privileged. This requires cutting tax- subsidies to private provision, extra spending on the health and education of lower- income groups and better pensions.

5: **Making Generous and Inclusive Policies Politically Feasible**

Those committed to a more generous and inclusive welfare state face a trilemma in devising policies to meet the double crisis: higher taxes are disliked, the poor are viewed with suspicion and effective, inclusive services demand higher spending. Mass services (NHS, education pensions) are popular; benefits for the poor are not. Reforms which focus on child poverty, contributory welfare and poverty-level wages are more likely to be politically acceptable. help political feasibility in this area. Greater insecurity in a more flexible labour market and pressures for child and elder care and training and work-place rights to help cope with new social risks generate encourage support for better and more redistributive welfare. More accessible childcare and a better-trained workforce can improve productivity. An inclusive, humane and generous welfare state is feasible, politically and economically and politically. It requires commitment and political leadership.

**Dustjacket**

The NHS, education, social care, local government, employment services, social housing and benefits for the poor face major challenges from a government determined to entrench a radical and divisive liberalism permanently in British public life. This book analyses the immediate challenge from headlong cuts that bear most heavily on women, families and the poor, and from a root-and-branch restructuring which will fragment and privatize the bulk of public services. It sets this in the context of escalating inequalities and the longer-term pressures from population ageing. It demonstrates that a more humane and generous welfare state that will build inclusiveness is possible by combining policies that limit child poverty, promote more equal outcomes from health care and education, introduce a greater contributory element into social benefits, invest in better child and elder care and address low wages and workplace rights. It analyses the political forces that can be marshalled to support these shifts and shows that, with political leadership, the welfare state can attract mass support.