

'CLASS WAR CONSERVATISM': HOUSING POLICY, HOMELESSNESS AND THE 'UNDERCLASS'

Joan Smith

The degree of autonomy which the state enjoys for most purposes in relation to social forces in capitalist society depends above all on the extent to which class struggle and pressure from below challenge the hegemony of the class which is dominant in such a society. Where a dominant class is truly hegemonic in economic, social, political and cultural terms, and therefore free from any major and effective challenge from below, the chances are that the state itself will also be subject to its hegemony, and that it will be greatly constrained by the various forms of class power which the dominant class has at its disposal. (Ralph **Miliband, 1982**)¹

Fifteen years of Conservative rule in Britain have born out Ralph Miliband's argument. Since Free Market Conservatism (which **Miliband** described more accurately as 'Class War Conservatism') captured Parliament and the State, nine 'employment' acts, the abolition of wage councils, and unemployment rates that were the highest in Europe in the **1980s**, have **crystallised** into a low wage economy where workers face ever increasing productivity demands, real wage cuts and worsening conditions. Anti-union legislation, centralised control over local and regional administrations and, most recently, the Criminal Justice **Act** of 1994 curtailed political opposition, anti-government strikes and demonstrations. Welfare programmes with popular support, such as health and education, had the 'market' introduced into them, and less popular programmes were reduced, means-tested and, in the case of social housing, almost destroyed.

Some writers have argued that Conservative administrations failed to impose their welfare agenda because welfare expenditure has continued to **rise**.² This misses the point. The most important principle of Class War Conservatism has been the removal from public life of any **alternatives** to free market capitalism and a centralising authoritarian state. Not only have welfare recipients been increasingly impoverished through benefits being indexed to prices rather than wages, but **alternative** welfare strategies, both municipal Keynesian and municipal socialist, have been shut down or prevented. Oppositional local authorities were shackled and, in the case of the Greater London Council, even abolished. Publicly accountable bodies have been replaced with quangos that now control **£60** billion of public

money per year but are unaccountable to Parliament, or indeed to anyone except the businessmen and Conservative supporters who have been appointed to run them. Rising unemployment has been used as a weapon in the control of labour, while alternative ownership patterns have been obliterated. National industries that provided cheap utilities and were prevented from disconnecting some consumers on social grounds, have been sold off and their workforces axed.

Other guiding principles of British New Right welfare policies have been: the rejection of government responsibility for maintaining national minimum standards; the replacement of earnings related and universal welfare rights based on national insurance principles with targetted means tested benefits of low value; increasing bureaucratic controls over the recipients of welfare; raising the cost of the welfare state to the bottom half of society in a fiscal redistribution of income from poor to rich; redistributing welfare responsibility from the state to the family through programmes of community care and abolition of income support for young school-leavers; and removing protective programmes for women and children in the name of 'family values'. The New Right has successfully used welfare policies and fiscal measures to create rather than prevent a divided society: income inequality is now at a level comparable to the end of the 19th century.

With wage councils abolished and the alternative of a national minimum wage rejected, income support and social housing provision are the two programmes that have prevented the final construction of an 'underclass', a socially excluded group of the poor, disempowered and low waged. Yet the Cabinet have set their sights on undermining both programmes through a concerted attack on 'welfare dependency' before the end of the Conservatives' fourth administration, and their possible electoral defeat. In November 1994 the Chancellor of the Exchequer, Kenneth Clarke, and the Minister for Social Security, Peter Lilley, announced the establishment of a new 'job-seekers allowance' to replace both unemployment benefit and income support in April 1996. In a re-enactment of the 'genuinely seeking work' clause of the 1930s, the unemployed will have to have the appropriate appearance and the appropriate attitude towards job-seeking in order to qualify for benefit; and the benefit stop has been increased from two weeks to six months for those who don't *comply*.¹

Unwaged single mothers are also to be removed from Income Support and Housing Benefit through the implementation of the Child Support Act. From 1993 the state has enforced its own assessment of maintenance payments, over-riding previous *court* settlements, for all single parents living on Income Support. The funding formula has been designed to extract maximum payments from even the poorest absent fathers in order that all welfare support should be clawed back. The assessment process has

left many women dependent on erratic maintenance rather than weekly state support. Some women have preferred to risk a twenty percent reduction in state income support rather than go through the maintenance process.⁴ Beside attempting to reduce Treasury support for the unemployed and for unwaged single parents, the Government also proposes to repeal all homeless legislation under which most single mothers have been rehoused, and to cap the level of housing benefit that a household can claim.

Many writers have assessed the effects of income support cuts and fiscal redistribution of income on the poorest. Equally important is the assessment of the effects of the growing crisis in the provision of social housing. This article is about the effects of fifteen years of Conservative housing policy and the importance of ongoing social housing provision for the prevention of an even more unequal and divided society in Britain. It outlines first the particular context of housing in Britain and the decline of social housing provision, second the rising problem of homelessness, and third the relationship between the New Right's construction of the idea of an underclass and the proposed repeal of homeless legislation. In conclusion it is argued that the clarity of purpose with which Class War Conservatism has sought to dismantle the Keynesian Welfare State should be matched with clarity of purpose towards the welfare state from the socialist movement. At the heart of the welfare state is the provision of shelter as well as the provision of income.

1. The British Housing Market and Conservative Housing Policy

The British housing market has a quite particular structure compared with its European neighbours or other English-speaking countries. In Australia, Canada, New Zealand and the USA, a large proportion of households live in owner-occupied housing (60–70%), a smaller but important proportion live in private rental housing (25–35%) and public sector housing provision is very limited. Among European countries there is a wide range of home-ownership (30–85%) and private rental provision, and social housing/cost-rental schemes are provided by non government organisations financed by the government. Britain has been unique in developing a housing tenure pattern with a very small private rental sector (10%), a large local authority rental sector (34% in 1979, now down to 24%) and a large home ownership sector (55% in 1979, now 66%). The non-government social housing sector (housing association) has a small share of the market.⁵

The origins of this particular tenure pattern can be found in the early municipal socialist programme of Independent Labour Party leaders like John Wheatley. Wheatley's scheme for £8 a year rental cottages to be provided for workers in Glasgow by the Glasgow Corporation was the foundation of ILP success on Red Clydeside, and local authorities were

encouraged to build houses when he became Minister of Housing in the 1924 Labour Government. The model of local authority low cost rental provision was well established by the Second World War, and after 1945 the predominant private rental tenure was replaced by local authority and new town social housing, on the one hand, and private home ownership on the other.⁸ From the 1960s, housing associations provided social housing through government-funded but non local authority organisations. Together local authorities and housing associations provided 100,000 social housing units in 1979. From 1979, however, local authority housing has been sold off to provide windfall political and economic gains for New Right Conservatives. The sale of local authority housing and the destruction of local authority plans for new social housing have provided both huge gains in revenue and huge savings in capital expenditure; while the promotion of a home-owning society through the 'right to buy' campaign was the first pro-privatisation campaign and created an audience for the argument that individuals, rather than society, were to be responsible for their own and their family's welfare.

During the first two Conservative administrations the central feature of housing policy was the encouragement of home-ownership including tenants' 'right to buy' their local authority house at a discounted price, a policy pioneered by some Conservative local authorities before 1979. The argument for home-ownership and against renting was already popular with householders who had lived through two bouts of house price inflation in the 1970s. Home-ownership came to be seen as the only safe hedge against inflation, an investment that also had a use-value (you could live in it) and much preferable to paying rent; home-ownership also gave householders freedom to alter the property as they wished. For all these reasons the right to buy policy was popular with working class people,⁸ and Labour-controlled authorities who continued to evade the sale of their housing stock lost votes to the Conservatives. Council house sales provided the bulk of home-owner expansion under the Conservatives; home ownership rose from 55% of households in 1979 to 66% in 1990.

The other side of Conservative housing policy was hostility to any expansion of local authority social housing provision. Receipts from council house sales were ring-fenced so that the capital could not be used to build new houses, and the cuts in housing budgets gave the first Conservative administration three quarters of its social welfare savings between 1979–82. The result has been a catastrophic decline in local authority and new town housing completions, from 85,000 completions in 1979 to 19,200 in 1988 and 2,000 in 1992.⁹ In order to disguise their opposition to social housing provision the government argued they were funding new provision through Housing Associations: thus associations which previously had provided for specialist housing for the elderly or for

single people, became promoted as the providers of family social housing. In 1986 the Conservatives made their first attempt to remove the remaining 4 million local authority houses from local authority control when the Housing and Planning Act first allowed for the sale of local authority housing to private developers and other landlords, including Housing Associations. In 1986 the discount for tenants was raised to 50% off the market price after two years' tenancy.

Whereas in their first two administrations, the Conservatives sought popular support for their housing policies, from their victory in 1987 they used their increasing hegemony to *impose* their welfare agenda. For social housing this meant that all local authorities that were not processing 'right to buy' applications were forced to comply. Some Conservative-held local authorities interpreted the policy as allowing them to sell off local authority housing to whomever they selected. The London Borough of Westminster even adopted a policy of selling local authority housing to non-local authority tenants in order to ensure Conservative majorities in marginal wards. In the 1988 Housing Act it was proposed that housing trusts should take over existing local authority housing, and tenants could only reject such trusts if two-thirds of all tenants actually voted against it; abstentions were to be counted as being in favour. Despite these wildly undemocratic procedures, in many areas tenants voted against the proposals. Nevertheless there was a new wave of council house sales to anxious tenants who would rather buy their property than be placed under a new landlord. Over a million council houses were sold by 1989, for a gain of £17,580 million, providing 43% of the receipts from all privatisations in the ten years 1979–89.¹⁰

From 1987 the government also shifted its emphasis from the right to home-ownership to the right to rent, but the right to rent at market level rents. It was argued that the housing benefit system (introduced in 1982 to replace the previous rent and rate rebate scheme) was already available for the support of all unwaged tenants, both those in the private rental market and the 4 million households still in social housing, and that housing benefit 'subsidised people rather than buildings'. The low-cost rents of local authorities which allowed low paid workers to live relatively cheaply were to be abolished. The 1989 Local Government and Housing Act prevented all local authorities from subsidising council rents out of other revenues. This policy did not represent a great gain in revenue for local authorities, because with rising unemployment, an ageing tenancy, and greater numbers of single parent families in tenancies, the majority of tenants were entitled to housing **benefit** paid by the local authority. For the minority of working tenants, however, the policy represents a real decline in living standards and the policy of subsidising people not buildings has produced the most extreme welfare trap in Europe; local authority tenants

JOAN SMITH

have to find a job with high wages to pay market level rents. This is also true of Housing Association tenants whose rents rose when the government changed their funding formula by decreasing central government support; rents for newly built units doubled to £40–50 a week from a previous average of £25–30. In the private rental market the 1988 Housing Act allowed short-hold and assured tenancy agreements for all private renting tenancies as well as for new-build private tenancies; this was designed to give landlords greater flexibility to change tenants and increase rents. The purpose of all these policies was to establish rents at equivalent and higher levels in local authority tenancies, housing association tenancies and private tenancies.

Local authority tenants are paying higher rents for ever worsening conditions as all local authority estates suffer from lack of investment and impoverished tenants. Many local authority estates that once housed both the employed and unemployed, youth and elderly, couple households and single parent households, have been turned into high-crime, low employment, dilapidated 'residual' housing. Over the next five years local authority tenants will face new housing management regimes; all local authority housing departments will have to tender competitively for the contract to manage the local authority housing stock. Some local authorities, particularly in rural areas where a higher proportion of smaller numbers of units have been bought, have already made over the control and management of their remaining stock to Housing Associations.

Underlying these changes in the provision of housing has been a systematic drive to replace the attitudes and values of the Keynesian Welfare State with that of a Free Market privatised society. T. H. Marshall's social citizen must be replaced by the privatised individual. Each person's safety net is to be individualised through ownership of housing, an individual pension plan, and, preferably, an individual healthcare plan. With soaring house prices in the second half of the 1980s many workers bought into the vision of a home-ownership society where they could reap untaxed capital gains for their retirement. Wealth was, in John Major's terms, to 'cascade down the generations'⁷ from home-owner parents. The actual language changed: in government documents householders owned a 'home' but they rented a 'house'." Society became divided by home-ownership, and a new version of the 19th century division between the 'respectable' working class and the 'rough' emerged in Britain: respectable people made sacrifices to buy their own 'home', while the rough could be found renting on local authority housing estates. For those households whose owner-occupation dream turns sour and whose house is repossessed the alternatives are bleak. With an ever-diminishing stock many local authorities are finding it harder and harder to rehouse.

From the perspective of 1995 the rush to home-ownership does not look as individually attractive as it did in the mid 1980s. Some local authorities have been forced to buy back houses that were structurally unsound when they were sold; and the government's latest scheme for selling council houses, from 'rent to mortgage', has attracted only two buyers. Following real falls in house prices, 1 million households 'own' houses worth less than their mortgage and with high unemployment, repossessions by the building societies and banks are increasingly commonplace; repossessions particularly affect ex-local authority council tenants. By 1989 the repossession rate rose to 70,000 units a year and is still 50,000 a year. Yet, 85% of all young people in Britain aspire to own their own house. They know they have little alternative: in 1979, four out of ten newly-built housing was social housing, now it is only one out of ten. Owner-occupation is no longer put forward as a positive choice, as in the early stage of Conservative 'free market' rule, but as an **only** choice for most households; the government's target for home-ownership is 80% of all households. As a sole option there is now no need to provide incentives to encourage owner-occupation, and from 1992 there has been a systematic erosion of tax relief on mortgages and no support for programmes to prevent repossessions. In 1995 income security support will be withdrawn for interest payments on mortgages for new borrowers who become unemployed.

It has become apparent that the promised 'cascade of wealth' has not happened for many new home-owners and for council tenants who bought their houses and flats (apartments) on poor quality estates. Nor is this cascade a reality for families whose elderly relatives require long-term residential care; from 1986 the government has taken home-owner equity belonging to a surviving spouse to pay residential care fees, replacing social security support.¹² The popular support home ownership bought for the New Right's privatising and tax cutting message is now eroded by the reality of high indirect taxation, low wages and proposed wage cuts, crumbling health and education services, and falling house prices. The major utilities have been sold off, and the windfall gains for small investors, although not for large corporations, have ended. Alongside all this there is a feeling of dismay at the society which Britain has become, and a fear of the social consequences of so much poverty and public disinvestment. The New Right is now reduced to seeking support through its negative programme, the control of crime and disorder, the ending of 'welfare dependency' and the promise of future tax cuts. As well as the successful introduction of an appalling Criminal Justice and Public Order Bill, the early 1990s has seen an extraordinary rise in vituperative outbursts against the unemployed, single mothers, and homeless 'beggars' who, both John Major and Peter Bellamy claimed, were not really homeless and were making a lot of money out of begging. Throughout the early 1990s **right-**

wing ideologists have been hard at work adapting Charles Murray's thesis on the United States 'under-class' to the British experience of a large local authority housing sector. Welfare dependency, it is argued, is to blame for three clearly identifiable tendencies – the 'residualisation' of local authority housing, the rise in unemployment and the rise in numbers of never-married single mothers.

The 'residualisation' of council housing during the past fifteen years is a result of two processes: the best houses, semi-detached and terraces, have been sold, and the remaining four million units have become increasingly inhabited by those in the bottom fifth of income distribution, claiming income support and housing benefit." Housing association property has also been 'residualised'; as associations have been required to provide housing for homeless families at lower building standards and ever higher rents, only those on benefits can afford to become new tenants. The result is that nearly two out of three single mothers live in social housing, and only 41% of heads of households in social housing have jobs compared with 69% living in other **tenures**.¹⁴ A new welfare trap has been established where workers living in social housing cannot take jobs because they cannot afford to pay the market rents being charged in the social housing **sector**.¹⁵ Market level rents imposed on local authority and housing associations tenants have meant that central government expenditure on housing benefit was £8,000 million pounds in 1992 while expenditure on capital was £6,000 million. The response of Government ministers, particularly Peter **Lilley** and Michael Portillo, has been to launch an attack on housing benefit, the subsidy to people promoted by the Conservatives as an alternative to subsidising housing.

The fourth Conservative administration, presented in the 1992 General Election as a caring alternative to Thatcherism, has produced the most thorough-going assault on social housing yet seen. First, in January 1994, the 'Access to Housing' consultative document was released by the Department of the Environment, foreshadowing legislation which would overturn all Homeless Persons legislation. Second, Michael Portillo, then speaking as Chief Secretary to the Treasury, outlined procedures to restrict the level of Housing Benefit being paid to new claimants, which have now been enacted in the November budget. Third, John Major launched a spiteful attack on young beggars at the same moment as the government announced the shutting down of its own 'Sleeping Rough' initiative which had provided an additional 1600 hostel places for rough sleepers from the winter of 1992 to the summer of 1994. The final retreat from the provision of social housing is the complement to new jobseeker allowances intended to drive people to work for any wages, or to drive them off benefit, and to the Child Support Act intended to enforce the family wage system for single parents previously dependent on state benefits.

2. The Rise of Homelessness in Britain, 1979–1994

The existence of a large local authority social housing sector in Britain has been the backbone of one of the genuine social reforms of the last Labour Government in Britain, the 1977 Homeless Persons' Act. This Act, which was relentlessly lobbied for by four housing charities, and followed two Royal Commissions, on One Parent Families and on Domestic Violence, made the provision of housing a statutory duty for local authorities. Local Authority Housing Departments were instructed to provide permanent accommodation for the homeless in priority need, *i.e.*, for families with dependent children and for homeless elderly aged 60 or over. Applicants had to prove that they were unintentionally homeless, living in accommodation from which they were asked to leave or evicted (the parental home, for example) or where they had no actual right of abode (as in temporary accommodation with friends or relatives), or they were the victims of domestic violence. Local authorities then had a statutory duty to rehouse them in permanent accommodation *i.e.* in the local authority cost-rental sector of social housing. Prior to this Act local authorities were only obliged to rehouse in temporary accommodation, the situation since 1948.

Following fifteen years of New Right policies and world wide recession, statutory homelessness has reached heights undreamed of in 1977. The number of households accepted as homeless by local authorities per year rose from just over 53,000 in 1978 to nearly 149,000 in 1991; every year 400,000 persons are accepted as homeless including nearly 200,000 **children**.¹⁶ However, statutory homelessness only shows part of the homeless picture among couple-parents and single-parents; on average local authorities in England reject 40% of homeless applicants." Many households have to wait in temporary bed and breakfast accommodation until increasingly scarce housing becomes available, and in some local authorities the housing system has all but broken down. More and more couple households are also living in their own temporary accommodation. In the 1991 Census 198,000 households were found to be sharing house-keeping at the same address and 95,000 households were living in non-permanent accommodation such as caravans and mobile homes; both these figures have increased by 17% compared with the census of 1981.¹⁸

Although the 1989 Children Act for the first time included some statutory duty to rehouse 16 and 17 year olds, especially young people leaving local **authority/social** services care, young people have not been included as a priority need group in the legislation. They are the largest group of non-statutory homeless, alongside those rejected as homeless by the local authorities. The most visible sign of increasing homelessness among young people has been the rising incidence of **rooflessness**. However, young rough sleepers represent only a fraction of the number of young people living in hostels, shared housing, squats, bed and breakfast,

and insecure accommodation who have swollen the numbers of **non-statutory** homeless. In 1990 John Greve reported estimates of up to 120,000 young single homeless in London from the National Federation of Housing Associations and between 64,500 and 78,000 by the London Boroughs Working Party. Nationally the guess was up to 180,000 young single homeless."

Successive Conservative governments have responded in two different ways to the increase in young single homelessness. First, in 1985 the 'board and lodgings' allowance for young people looking for work away from home was repealed, and in 1988 income support payments for sixteen and seventeen year olds were abolished; the full adult rate is only paid at age twenty-five. These measures were designed to keep young people at home, in their families, and to force sixteen and seventeen year olds to enter the youth training schemes set up by the Government. Second, in the face of increasing street homelessness, in 1984 funds were released for a new wave of hostel building and refurbishment of old dwellings for hostel use; and in 1990, following the House of **Commons** All-Party report on homelessness, new money went into homeless hostels. These measures were clearly aimed at taking young people off the streets into temporary accommodation, especially in **London**, and were accompanied by police use of the Vagrancy Law of 1824 to arrest and harass beggars.

Government ministers have ignored existing definitions of homelessness when creating policy for young people and described only those without a roof as homeless; once the young person was re-housed in a hostel or other temporary accommodation they were no longer homeless. This re-definition of homelessness as rooflessness is one that the Conservative Government now intends to apply to the statutory homeless, those families who have a right to permanent social housing under 1977 legislation as amended in 1985. The Department of the Environment consultative document, 'Access to Housing', argues: 'someone accepted as homeless is in fact occupying accommodation of some sort at the time he or she approaches the authority . . . Indeed the largest single category of households accepted as statutorily homeless are people living as licensees of parents, relatives or friends who are no longer willing or able to accommodate **them**.²⁰ The argument that anyone staying in accommodation with friends or relatives is a licensee in the same way that private tenants are licensees under new legislation shifts the duty to support from the state to private individuals and charities with a **vengeance**.²¹ The Government is seeking a situation in which families would have to obtain an eviction order in order for young people to be rehoused in temporary accommodation, and any friends and relatives who had taken in young people in an emergency situation would be expected to continue to house them until temporary accommodation was made available.

The heart of the new proposals is a return to the pre-1977 policy of providing temporary accommodation for homeless families. Under these new proposals local authorities would only have a duty to house for a limited period those in 'priority need, in an immediate crisis that has arisen through no fault of their own, and who have no alternative accommodation available.'" This reverses all current practice derived from the 1977 and 1985 Acts and effectively ends the provision of permanent housing to priority homeless cases. The housing applicants who will be most affected by this change are single mothers. In acknowledgement of this, the document even suggests the possible return of mother and baby homes for single mothers, demonstrating the government's deliberate identification of all single mothers as never-married teenagers. In fact, of course, only a minority of single mothers are never married; the majority of single mothers are women left to raise their children alone.

Sir George Young defended this policy in seminars and on radio programmes using the argument that single mothers and others are 'jumping' the housing queue through the homeless applications procedure. He presented the White Paper as a proposal for 'integrated waiting lists'; the waiting list would be the sole route through which housing applicants could be allocated a secure local authority tenancy or nominated by a local authority for a housing association tenancy.²³ Even some homeless people were misled into agreeing that integrated waiting lists would be a 'fairer' way to allocate a scarce resource because they did not want to 'jump the queue'. However, without the statutory need to rehouse homeless people there need be no provision of permanent social housing at all. The London Borough of Wandsworth, the original proposers to the Department of the Environment of the new 'Access to Housing' proposals, was taken to court because its policy of disposing of all local authority housing has led to insufficient permanent accommodation for its own homeless families, and the rejection of homeless applicants with a clear statutory right to housing. In the future it would be impossible to take such local authorities to court. Moreover, without priority need status single mothers would be further down the waiting list than couple parents, because one adult gains fewer housing points than two. Despite 9,000 organisations and individuals writing in to oppose the new proposals, and only two organisations supporting them (including the London Borough of Wandsworth), the government is still determined to go ahead. In fact it needs to go ahead; there is so little new social housing stock available and the need for social housing is so great that if it fails to repeal the Homeless Persons legislation many more local authorities will not meet their statutory duty.

For the young single homeless the government has also reversed its previous policies, closing down its 'Rough Sleepers' initiative in Central London with the loss of 1600 bed spaces and launching another police

offensive against begging under the 1824 Vagrancy **Act**. The Criminal Justice and Public Order Act also gives the police sweeping powers to deal with squatters and with travellers, many of whom now include homeless young people especially from the rural areas. Trespass is now a criminal and not a civil offence, giving land-owners and others new powers to use the police to 'protect' their property. It also gives the police powers to suppress spontaneous demonstrations against government **policy**.²⁴

These political attacks on both the statutory homeless and the **non**-statutory homeless reveal the importance of housing to the renewed agenda of the 'New Right' in Britain, particularly that of the 'No Turning Back Group', whose members include the Cabinet Ministers, Michael **Portillo** and Peter **Lilley**. In their eyes social housing is part of a state welfare system that is **creating** dependency among the poor and unemployed, while home-ownership is part of a private welfare system through which **families** take more responsibility for their own and their children's welfare. The virulence with which they have pursued this agenda is the result of two conflicting beliefs within the New Right. First, Class War Conservatism is feeling more and more confident, not merely 'free from any major and effective challenge from below' but also free from any effective alternative abroad with the world-wide collapse of Communism. The ideologists of the Institute of Economic Affairs and the CPS have been emboldened by international adoption of privatisation programmes, including that of public housing in Russia and elsewhere in Eastern **Europe**.²⁵ The rule of private property and private economic man and woman appears unstoppable. The return of the New Republicans in the United States under Newt Gingrich, the shutting down of homeless provision in New York and the serious proposals for mother and baby homes, all give confidence to **the** New Right agenda in Britain. Second, however, in Britain popular support for the New Right is now unravelling; they may only have two years of government left in which to put in place a social order which cannot be reversed. The assault on social housing and income support is part of the construction of a new social order designed to create and control an '**underclass**' which the Conservatives have already named as being the **result** of 'welfare dependency' but which an even further shrunken welfare net has helped to create. In an economy that was no longer 'mixed', where public good had been sacrificed to private profit, there would exist a workforce compelled to accept work at any price.

3. Housing, the Underclass and Single Mothers

From 1989 many households living in social housing and dependent on income support and housing benefit have been increasingly labelled as an 'underclass' in speeches by Ministers and pamphlets from the right **think-tank**, the Institute of Economic Affairs. In Britain the idea of an

'underclass' was popularised for the right by the American Charles Murray through articles in the Sunday Times, an Institute of Economic Affairs Seminar in 1990, and an IEA pamphlet.²⁶ Murray's pamphlet was followed by others including *Families without Fatherhood* by Norman Dennis and George Erdos, written, they claimed, from the standpoint of 'ethical socialism'.²⁷ In The Sunday Times in 1994 Charles Murray described this underclass as a 'new rabble' unfavourably comparing its claimant members with the hard-working, home-owning, two-parent families of the 'new Victorians' of respectable society.²⁸ The primary cause of the rise of this 'New Rabble', he argued, was rising numbers of single mothers. It was they who were responsible for the rise in numbers of unemployable young men and never-married daughters. Only through denying single mothers benefits and using the savings in public funds to support adoption and fostering services could the vicious circle be broken.²⁹

The argument that state welfare actually creates dependency distinguishes current theories of the underclass from previous theories of the culture of poverty (Oscar Lewis) and the cycle of deprivation (Keith Joseph).³⁰ Both Gilder and Murray have argued that the benefit system in the United States creates an underclass because claimants can live better on welfare than working." This is therefore a structural rather than cultural version of the underclass thesis.³¹ It is the right's answer to liberal and left arguments that their free market policies are creating an underclass through the deregulation of labour and rising unemployment. In the United States, Wilson argued, with the rise of male unemployment and crime, the 'marriageable pool' has shrunk for young black women in urban areas, leaving women to raise children alone.³³ Now Wilson's liberal explanation for the rise of poverty has been turned on its head by Murray in both the United States and in Britain.³⁴ In Britain David J Smith has followed Murray and re-defined the composition of the underclass: he argues that the underclass is not comprised of unemployed or criminal individuals but families living on welfare:

Hence the underclass is not individuals who have no stable relationship with legitimate gainful employment, but members of family units that have no such relationship. It follows that the structure of family units must have far-reaching consequences for the size and nature of an underclass. There will be a strong tendency for single parents of young children to belong to the underclass. Single parenthood is not part of the suggested definition of the underclass: many single parents would not be members of the underclass, and many members of the underclass would not be single parents. On the other hand, a growth in single parenthood could well be an important explanation of a growth in the underclass.³⁵

The provision of social housing, income support and housing benefit is now being identified by Murray as the cause of rising numbers of single mothers and therefore of a rising underclass, just as the existence of Aid to Dependent Families is being identified as the 'cause' of the 'underclass' in the United States. The vision of welfare systems creating 'dependency' has

been accepted by both right-wing Democrats in the United States and members of the Labour Party Shadow Cabinet in Britain. There has been little resistance to measures that subject the unemployed to a barrage of 'personal independence planning' schemes – job cuts, jobstart, restart, job interview guarantees – nor to the proposals to vet the personal appearance and attitude of the unemployed when the 'jobseeker's allowance' replaces income support and unemployment benefit in 1996. Personal independence planning and youth training schemes (which neither train nor lead to permanent jobs) have drastically reduced the statistics of the unemployed who now officially number two and a half million.

Personal independence planning has also been introduced in a different way for single mothers. Proposals for job retraining for women have a hollow ring in a country with one of the lowest rates of child care provision for under-school age children in Europe. Instead of personal independence the government is intent on encouraging old forms of dependence. The family-wage system is now to be enforced for single mothers through the Child Support Agency, which has begun its work of collecting child care maintenance from fathers by targetting the fathers of all children whose mothers are on Income Support. Through a complicated formula the government is seeking not a proportion of a father's wages to support the child but sufficient income to replace state payments, even if this reduces the father's income to Income Support levels, while mothers who do not cooperate with the agency can have their benefit reduced by 20%. The proposal to repeal homelessness legislation and to place single mothers on integrated housing waiting lists will also remove single mothers' source of independent shelter, placing them behind couple parents on housing waiting lists because one adult does not attract as many points in the system as two adults. It is actually designed to force women to stay in relationships with men – no matter how abusive or criminal. As Dean and Taylor-Gooby note: 'Ironically, therefore, those who are dependent on collective provision by an impersonal state have become *independent* of the wage relation *and/or* of the family'.³⁶ It is this independence, not dependence, that the New Right seeks to reverse.

4. Conclusion

Although many of the policies and ideas of the New Right have been imported from the United States, British Class War Conservatives have been innovative adaptors and successful implementers." Their approach to the privatisation of social housing has been reimported into the United States, exported to Eastern Europe, and privatisation of housing is now on the agenda for Western Europe. From this review of the undermining of social housing provision in Britain it is clear that the irreversibility thesis is simply not true for this particular programme, nor will the continuation

of a steady-state welfare system be allowed. With the collapse of communism and the adoption of **privatisation** policies in Eastern **Europe**, Western Europe and New **Zealand**, the New Right in Britain, as in the United States, have moved their welfare objectives further and further to the Right.

Financially the renewed assault on social housing in 1994 is important for the British Conservatives because of their commitment to reduce the cost of the provision of all welfare. Privatising social housing also would provide one of the last great cash bonanzas. In the long-term, of course, enforced owner occupation brings other benefits: home-owner equity is available to support residential care, domiciliary care **and/or** private health care.³⁸ Ideologically, it is also important for a deeply unpopular government that its policies should not be held responsible for the deterioration in the living conditions of a large and growing minority of the British **population**.³⁹ The responsibility for poverty and homelessness must be placed elsewhere, either on the individuals themselves or on their family structure. This is the purpose of the attempt to generate a moral panic over rising numbers of never-mamed single mothers, the rise in lone parent households, and of young unemployed. So far the British New Right have been less successful in their attempts to blame the poorest in society than the American New **Right**,⁴⁰ and with increasing parliamentary crisis it is still possible that further dismantling of social housing provision can be prevented. So far, however, the Labour Party has proved totally inadequate as an opposition when faced with welfare cuts, new employment and anti-trade union legislation, and threats to civil **liberties**.⁴¹

For socialists it is important that the clarity of purpose and comprehensive agenda with which the New Right has tackled the dismantling of the Keynesian Welfare State should be matched by an equal clarity of purpose and a principled agenda. Linda Gordon's discussion of socialist feminist perspectives on welfare in *The Socialist Register 1990* argued that the defence of existing welfare programmes against cuts had suppressed discussion about the possible shape of socialist welfare programmes and that it is important for socialists to consider this because it is clearly not the case that all welfare problems would be solved under socialism. Gordon makes the important observation that most welfare need is due to a failure of the family-wage-labour system rather than to 'natural' events such as death and disability. She argued that most of this discussion is coming from feminists because women constitute the majority of the recipients and the providers of **welfare**.⁴² In Ramesh Mishra's review of the differences between New Right and Social-Corporatist responses to the crisis of the Keynesian **Welfare State**, he argues that the welfare state is a product of democratic class **struggle**.⁴³ Although Mishra is concerned to differentiate this perspective from those Marxist perspectives on the welfare state which

JOAN SMITH

stress the limits to class struggle and working class power under capitalism, his work shares with many Marxist perspectives the central weakness of not adequately acknowledging social-feminist and feminist perspectives on welfare.

Integrating all these perspectives would mean that a socialist-feminist perspective on welfare would begin from four fundamental principles: first, support for welfare measures that shift the balance of class forces in favour of working class struggle and prevent the development of fragmented interests within the working class; second, support for welfare measures that undermine inequality of gender relations and provide support for women and children independent of family structure; third, support for welfare measures that prevent and reverse the oppressed status of any ethnic minority group; fourth, support for welfare measures that provide diverse welfare packages giving control back to the individuals who require the welfare support. It is also apparent that the breadth of welfare must be redefined. Beveridge wrote of the five great Wants in society to be dealt with by five great services: idleness or unemployment was to be covered by unemployment insurance; want or poverty to be covered by income support; squalor to be covered by housing services and town planning; sickness to be covered by a national health service; ignorance by the education services. All of these services, however, also assumed that there were women, at home, available to undertake the 'care' service supported through the family-wage system. Children could leave school at 3.30 p.m. because mothers were there for them; there was no need for nursery provision; sick people could return to their homes to be nursed; men were to have the tenancies, and women's income needs were to be covered by their husbands' employment or income **support/unemployment** benefit. It is extremely important that a sixth great Want should be acknowledged, that of care, and that care services should have an equal priority.

The New Right in Britain has worked particularly hard to exacerbate the internal contradictions of welfarism and differential interests within the working class. It has sought to blame the rise of unemployment and single parenthood on welfare dependency rather than on its own economic and social policies and the ongoing individualisation and atomisation tendencies of capitalism. As poverty triples and the distribution of incomes in Britain edges closer and closer to Victorian England, the New Right has been determined to enter the 21st century with a work-force whose employment rights are the least in Europe and whose citizenship rights are the least in the English-speaking world. In this way they hope to continue to manage Britain's 'uncompetitiveness' in a global capitalist order. Those parts of the welfare state that prevent abject dependence on the market and the family-wage system, housing provision and income support, have to be not just eroded but transformed, while entry to the new provision will

depend, as in the 19th century, on appearance and morality, a servile attitude and proper behaviour. Many will not object because they do not believe they will be part of the bottom third who face unemployment and the job-seeker's allowance, house re-possession and temporary accommodation, continuing care at home rather than in a medical facility, and old age pensions at the lowest level relative to average wages since the 1940s. The development of a socialist-feminist welfare agenda is an important part of the argument for the socialist democracy that **Miliband** urged the Left to develop as the alternative to the dominance of capitalist democracy presented today as the 'end of history'.⁴⁴

NOTES

- 1 R. Miliband, 'State Power and Class Interests' reprinted in *Class Power and State Power*, (Verso, London 1982).
- 2 This is an argument that R. Mishra terms the 'irreversibility thesis'. See R. Mishra *The Welfare State in Capitalist Society*, pp. 32-42, **Harvester** Wheatsheaf, UK 1990. Mishra particular identifies writers like Le Grand, **Offe**, **Therborn** and Piven and Cloward with this thesis. He himself rejects the thesis, because, although spending has risen, the defining characteristic of the welfare state, 'the institutionalisation of government responsibility for maintaining national minimum standards', has been reversed.
- 3 The newly unemployed will also not receive help with their mortgage payments for the first nine months.
- 4 Many feminists have supported the Child Support Act, seeing its measures as a process through which women can leave Income Support and live at standards of living more comparable to those of their previous partners. However, the assessment formula adopted by the Government was clearly punitive at the lowest income scales, in order to remove the mother and child from Income Support. The government has also not guaranteed the regularity of maintenance payments themselves. See The Child Poverty Action pamphlet, *Putting the Treasury First: The Child Support Act*, London, 1993, which includes examples of the funding formula in its appendix.
- 5 See J. Doling, 'Encouraging Home Ownership', in C. Jones *New Perspective on the Welfare State in Europe*, Routledge, UK, 1993, pp. 71-3.
- 6 See P. Malpass and A. Murie, *Housing Policy and Practice*, **MacMillan**, London, 3rd Edition 1990; D. **Clapham**, P. Kemp and S. Smith, *Housing and Social Policy*, Macmillan, London 1990, for histories of housing policy and the current situation of housing tenure in Britain.
- 7 See P. Malpass and A. Murie, as above p. 93. The total exchequer subsidy to local authority housing in England fell from £1,393 million in 1980/81 to just £342 million in 1984/5, but then began to rise again.
- 8 See P. Saunders, *A Nation of Home Owners, 1990*, pp. 341-343 for the results of his survey into attitudes towards council house buying. Saunders presents an extremely pro-home-ownership position, but there is no reason to doubt his argument that the policy was most popular with working class people.
- 9 Housing Association new build was only 11,000 units in 1992, and the Government were forced to change policy and promise increased support for Housing Association new build, up to 26,000 units this year.
- 10 See P. Malpass and A. Murie, *op. cit.*, pp. 88-94 for a review of government housing policy.
- 11 See S. Watson and H. **Austerberry**, *Housing and Homelessness: A Feminist Perspective*, Routledge 1986, for the different construction of the terms 'house' and 'home'.

- 12 With the transfer of responsibility for continuing care from the health authorities to social services, the service for the long-term sick has also been transferred from a universal service to a means-testing one.
- 13 John Hills in *The Future of Welfare*, Joseph Rowntree Foundation, York, 1993, has demonstrated the increasing shift into home-ownership of all income groups except the bottom one fifth (p. 70), quoting his own joint article in J. Hills, ed. *The State of Welfare: the welfare state in Britain since 1974*, Oxford, Clarendon Press 1990. Much of Alan Murie's work has also concentrated on the residualisation process in social housing in Britain, see P. Malpass and A. Murie above.
- 14 See J. Hills, *ibid.*, p. 71. In 1979 59% of head of households in social housing had jobs, compared with 73% in other tenures.
- 15 See J. Hills, *ibid.*, pp. 23–27 for estimates of net income required from employment to compensate for combined loss of benefits.
- 16 See G. Bramley, 1994, 'The affordability crisis in British Housing: Dimensions, Causes and Policy Impact', *Housing Studies*, Vol. 9, No. 1, 1994; and Greve, J. and Cume, E., *Homelessness*, Joseph Rowntree Foundation, 1990.
- 17 See A. Evans and S. Duncan, *Responding to Homelessness: Local authority policy and practice*, Dept. of the Environment, HMSO, 1988, p. 13.
- 18 See Roof, May–June 1994. Roof is the journal of SHELTER, London.
- 19 See J. Greve and E. Cume, *op. cit.*, 1990, p. 10.
- 20 Department of the Environment, 'Access to Local Authority and Housing Association Tenancies', Consultation Document, 1994, Section 2.8.
- 21 This policy is weirdly reminiscent of Russian state policy where a young person's 'right' to their bedroom within their parents' flat was and is frequently enforced by law. The difference is that in Russia the state owned the flat, but in Britain the policy was to be applied in a 'property owning democracy'.
- 22 *Ibid.*, section 3.2.i.
- 23 *Ibid.*, section 3.2.ii.
- 24 The new socialist monthly *Red Pepper* has covered the issue of the Criminal Justice and Public Order Bill in the most detail, from the perspective of its political implications. The implication of the Bill for Criminal Justice itself is also quite horrendous.
- 25 See R. Desai, 'Second-Hand Dealers in Ideas: Think-Tanks and Thatcherite Hegemony' *New Left Review*, No. 203, 1994, for a history of the IEA and the Centre for Policy Studies.
- 26 Charles Murray, *The Emerging British Underclass*, Institute of Economic Affairs, London 1990, in which the articles from the *Sunday Times Magazine* of November 1989 are reprinted.
- 27 N. Dennis and G. Erdos, *Families without Fatherhood*, IEA., 1992. See also J. Davies, ed. *The Family: Is it just another lifestyle choice?*, IEA., 1993.
- 28 *Sunday Times*, May–June 1994.
- 29 Such ideas could be dismissed if the proposal for increased funding of mother and baby homes had not also surfaced in the 'Access to Housing' consultative document that is proposing the withdrawal of rights to permanent accommodation for single mothers.
- 30 See Hartley Dean and Peter Taylor Gooby, *Dependency Culture. The explosion of a Myth*, Harvester Wheatsheaf, UK, 1992, Chapter 2 for a summary of contributions to these debates in the USA and UK.
- 31 See C. Murray, *Losing Ground: American Social Policy 1950–1980*, Basic Books, New York, 1984.
- 32 Therefore the recent study by Hartley Dean and Peter Taylor Gooby, above, which successfully undermines arguments for the existence of dependency culture, can't itself invalidate the underclass thesis.
- 33 Willetts in D. Smith, ed. *Understanding the Underclass*, Policy Studies Institute, 1992, p. 49; see W. J. Wilson, *The Truly Disadvantaged: The inner city, the underclass and public*

THE SOCIALIST REGISTER 1995

- policy*, University of Chicago Press, 1987. See also C. Jenks, ed. *The Urban Underclass*, 1991, for research papers summarising the results of US research programmes to test W. J. Wilson's underclass thesis. An important and interesting collection of papers that throw doubt on even Wilson's thesis, e.g. Robert D. Mare and Christopher Winship's paper 'Socio-economic Change and the Decline of Marriage for Blacks and Whites' argues that Wilson's concept of the marriageable pool only explains 20% of the decline in marriage rates for young black people.
- 34 Murray and others consistently fudge the boundary between all single mothers and **never-married** teenagers. In Britain never-married mothers equal 29% of all lone mothers; 44% of lone mothers are divorced, 19% are separated, 8% are widowed.
 - 35 See D. Smith, *op. cit.*, p. 5. The culture of dependence, according to Smith, may or may not exist. The structural argument for the existence of an underclass identifies three key groups as likely to be dependent on income support and therefore likely to be members of the underclass: the long term unemployed, unskilled workers in erratic employment and young single mothers: and then asks the question is there any link between them?
 - 36 Dean and Taylor-Gooby, above, p. 48.
 - 37 Joel Krieger, 'Social Policy in the Age of Reagan and Thatcher', *Socialist Register*, 1987. In this paper Krieger discusses the proportion of Reagan's legislation that he was able to get through. This, of course, is not a problem for Conservative governments in the United Kingdom with no elected second chamber and no constitutional rights for regional and city government.
 - 38 This would overcome the problem that John Hill described in *The Future of the Welfare State*, 1993. How do you force one generation to fund both present welfare expenditure and their own future provision?
 - 39 See V. Kumar, *Poverty and Inequality in the UK. The effects on children*, National Children Bureau, 8 Wakley Street, London EC1V 7QE, for detailed estimates of the rise in poverty in the United Kingdom from 1979–1992 which included a tripling of the numbers of children living in poverty.
 - 40 Each annual *British Social Attitudes Survey*, from Social and Community Planning Research, London, has found that a majority of the British Public are prepared to pay more taxes for higher welfare. In the early 1980s the area of welfare spending least in favour was housing, but since then the rise of homelessness support for spending in this area has risen. The two *International Social Attitudes Survey* reports of 1986 and 1992 clearly demonstrate that the majority of British people have attitudes towards welfare and social citizenship rights closer to those in Europe than those in the US or Australia.
 - 41 The independent Labour Commission for Social Justice has also been pulled into discussing welfare issues in the language of dependence and independence.
 - 42 L. Gordon, 'The Welfare State. Towards a Socialist Feminist Perspective', *Socialist Register*, 1990, pp. 171–200.
 - 43 R. Mishra, *The Welfare State in Capitalist Society*, Harvester Wheatsheaf, 1990, p. 11.
 - 44 R. Miliband, 'Fukuyama and the Socialist Alternative', *New Left Review*, No. 193, 1992.