Neoliberal restructuring, disabled people and social (in)security in Australia and Britain

Chris Grover and Karen Soldatic

Department of Applied Social Science, Lancaster University, Lancaster, UK; School of Social Sciences, University of New South Wales, Sydney, Australia

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This paper examines recent social security policies in Australia and the UK for workless disabled people. The paper outlines developments in both countries over the past two decades and points to the fact that while there may be differences in the detail, the trends in such policies in the two countries are similar. This involves moves towards stricter eligibility criteria, greater expectation of workless disabled people to make efforts to (re)enter paid employment and, through such processes, a redrawing of the ‘disability category’ that denotes the ‘truly’ disabled from those who are deemed capable of doing at least some paid work. The paper goes on to consider explanations of such change, arguing that liberal explanations in the social administration tradition are problematic and that they, therefore, need to be placed within the neoliberal project, in particular its concern with putting people to work. The paper concludes that this has essentially involved a redrawing of the disability category to ensure a smaller number of people of working age in both countries can legitimately claim an existence outside of paid work. The paper also argues that more comparative research is required to understand the impacts of such trends on disabled people and provide insights for those resisting the influence of neoliberalism on welfare regimes.

Keywords: Australia; disability; neoliberalism; restructuring; social security; UK

Introduction

The restructuring of social security benefits for disabled people has become a dominant theme in international policy circles. Across many OECD countries, similar trends, including policies to move disabled people from out of work social security benefits and into the world of work, are visible (for example, OECD 2003, 2009). Studies across anglophone countries, such as Australia (Galvin 2004; Soldatic and Chapman 2008), Canada (Chouinard and Crooks 2008), the UK (Grover and Piggott 2010; Roulstone and Prideaux 2012), New Zealand (Lunt 2006) and the USA (Russell 1998), have critically distilled nascent disability policy discourses and practices. The dominant theme in this body of work is that the restructuring of state-sponsored benefits for workless disabled people in the past two decades or so has largely been driven by the logic of neoliberalism. Neoliberalism may appear as a hegemonic project. However, it is mobilised differentially across nation states (Harvey 2005). Policy regimes, at the national scale, in effect, are bounded by the historical and institutional specificity of each place, and therefore, the way it is
implemented and practised, is likely to vary substantially (Jessop 2002). This means that while trends in policy may be similar, the detail within them is likely to differ. After all, as Clarke (2004, 95–6) notes, ‘neo-liberalism has to negotiate other political formations, other political legacies and the political forces and blocs in which they have been embedded’.

Despite the apparent international adoption of neoliberal policy logic within various welfare regimes, there has been little comparative work undertaken to explore the level of convergence and divergence across these regimes for disabled people. Given arguments about policy transfer between traditional liberal welfare states (including Australia, Canada, the UK and USA) (for example, Banks et al. 2005; Peck and Theodore 2001; Pierson 2003) for other groups of people, this is curious. This paper starts to address this issue by focusing upon income replacement for working age disabled people in two countries – Australia and the UK. There are several reasons for focusing upon these countries. First, both have witnessed in recent years an authoritarian and stigmatising drift in discursive construction of disabled people and their economic and social positions in the two societies. Second, accompanying this shifting cultural political economy of disability in the past two decades both countries have witnessed far-reaching changes to social security policy for disabled people. These two factors raise the issue of why two geographically distant nations, with very different longer-term histories of benefits for disabled people, have seemingly gone through similar processes of social security retrenchment for disabled people within a few years of each other.

The analysis suggests the ‘disability category’ (Stone 1984) has undergone a process of ‘reclassification’ to restrict access to it to a newly-defined ‘truly’ disabled group of people. As a result, there has arguably been a reassertion of the old Poor Law binary of the ‘deserving’ and ‘undeserving’ and, in turn, a reshaping of disability citizenship regimes with diminishing citizenship entitlements (Dorn and Keirns 2010). Larkin (2011) refers to this as an authoritarian coercion of a ‘positive citizenship’ that places obligations and responsibilities at the centre ahead of rights, respect and policies of redistribution. As our analysis suggests, while the ‘disabled body’ has changed little, the systems and processes that classify them as being capable/incapable of working has undergone a radical shift to limit the number of people categorised as disabled.

**Income replacement benefits and disabled people in Australia**

In Australia disability pension schemes have long existed (Kewley 1980). First implemented in 1910, the Invalid Pension (IP) remained almost unchanged for 80 years except for minor alterations, such as the removal of the means test for people who qualified as ‘blind’ in 1954 (Daniels 2011). However, in the early 1990s, as part of a national program to ‘modernise’ all social security arrangements to make them more active (see Cass, Gibson, and Tito 1988), the IP was superseded by the Disability Support Pension (DSP) (Clear 2000). The DSP, a means and asset tested payment, ‘was seen to be a complete break from the IP payment it was replacing, with an emphasis on providing income support and training and rehabilitation assistance to maximise labour market and social participation’ (Yeend 2002, 3). Entitlement to the DSP was to be established through a dual track assessment process consisting of a medical impairment test and a 30 hours per week work test (applicants could only qualify if they could be considered, as a result of their
condition, unable to work at least 30 hours per week). The coupling of a medical test with the temporal work test was, in effect, to curtail the increasing number of people receiving out-of-work support for disabled people (Yeend 2002).

Brought in by the Hawke Labor Government, the DSP marked the Australian shift to third way policy interventions that aimed at re-regulating the social policy/labour market nexus (Finn 1999). Money saved through activating disabled people’s labour market participation was to be diverted to the development of specialist employment and rehabilitation services and training programs via the non-government sector (Lindsay 1996). In contrast to reducing the number of claimants, however, the number receiving DSP actually increased (from 316,713 people receiving IP in 1990 to 696,492 receiving DSP in 2004 (Park 2005). The suggestion was that DSP had become an early retirement scheme because workless people were incentivised to claim it due to it being paid at a higher rate than benefits for those people officially defined as unemployed and because DSP was free from any ‘activity tests’, such as the mandatory requirement to search for a job (Hamer 2009, 143).

Such concerns continued unabated with successive governments (Soldatic and Pini 2012). So, for example, the Liberal-National Coalition (the Howard Government, 1996–2007) entered office with a broad welfare reform agenda that, in effect, was aimed at retrenching social security payments for people of working age (Mendes 2008). Disabled people were not excluded from such trends. Informed by a mix of neoliberal economics and neoconservative nationalism (Maddison and Martin 2010), the Howard government signalled that paid work was the primary duty of Australian citizens (Bessant 2000). As Humpage (2007) suggests, the duty to work was to be enforced through the idea of ‘mutual obligations’, of what in the UK was described as ‘rights and responsibilities’. In pursuit of this, the Howard Government adopted a ‘work first’ approach (Marston and McDonald 2007). In the case of out-of-work benefits for disabled people this meant attempts to tighten access to the DSP by changing the temporal work test so that it could only be obtained by people deemed unable to work 15 hours per week (cut in half from 30 hours per week). Initially, this proved to be politically untenable with many of Howard’s support base and it took four attempts (2002, 2002, 2003, 2005), coupled with a substantial electoral victory in late 2004, to drive the changes through parliament (Soldatic and Chapman 2008).

While the medical test remained unchanged, the Welfare to Work Act 2005 introduced the proposed changes to the temporal work test. To operationalise the 15 hour work rule, a more stringent assessment instrument – the Job Capacity Assessment (JCA) – was developed and claimants’ GPs were removed from the final determination. Administered mostly by private allied health professionals contracted by the Australian Government, new disabled claimants assessed via the JCA were sorted into three groups: those unable to work 15 hours per week; those capable of working from between 15 and 30 hours per week, and those able to work more than 30 hours per week. Only the first of these three groups are able to claim DSP. The second group receive an ‘enhanced’ NewStart Allowance and the final group can receive NewStart Allowance only. Those deemed capable of working between 15 and 30 hours per week have to attend ‘work first’ compulsory interviews (Soldatic 2012). The Welfare to Work Act 2005 was also underpinned by a strict sanctioning regime for those people receiving NewStart Allowance, specifically removing any ‘rights to argue they were unable to comply [with their activity requirements] for reasonable reasons beyond their control’ (Yeend 2002). At the time, it was estimated that 60,000 future disabled claimants would be adversely affected by
the changes (ACOSS 2005, 4). However, the Howard Government argued that ‘the best form of welfare is a job’ (Andrews 2005, 8) and that these measures were necessary to stop the inflow of future DSP claimants.

These trends – stricter eligibility criteria, activity requirements and strengthened sanctioning regimes – have continued under Labor governments since 2007. Despite their own analysis suggesting that fewer disabled people gained access to the DSP with the new 15 hour work rule (see Macklin 2011a), Labor Governments have taken the view that both the JCA and the medical impairment test are structurally deficient, meaning that too many people accessed it (the ‘on-flow problem’) and not enough people left it (the ‘out-flow problem’). Hence, the national budgetary announcements of 2009/2010 targeted a review of the existing impairment medical test for implementation by January 2012 (PWDAustralia 2011). The Australian government’s primary welfare agency, Centrelink, predicted that four out of ten current recipients would not qualify for the DSP under the new impairment test regime (ABC 2011). The new impairment test relies heavily upon medical and rehabilitative technologies to project disabled people’s future work capacity in line with what the Minister for Families, Community Services and Indigenous Affairs refers to as ‘modern expectations about functional ability’ (Macklin J 2011a, 1). What this means in practice is that weighted scoring for nearly all impairment conditions have been substantially lowered and tightened, making it more difficult to qualify. Since September 2011 DSP claimants with some adjudged type of work capability have been required to undergo a third medical test—the Medical Condition Employment Services Assessment Test—to access a referral to a disability employment provider (DEEWR 2011a).

The 2011/12 Labor Government budget also implemented many of its predecessor’s policies that had been curtailed due to lack of popular support (see Soldatic and Pini 2012). Hence, it has promised to ‘bring forward strict new work tests, update the definition of incapacity, and introduce new requirements for younger recipients’ (Swan 2011). From July 2012, the Labor Government ‘fast tracked’ new work first activity requirements for existing DSP recipients under 35 years (Macklin 2011), a move that had been untenable under the Howard Government. Current DSP claimants who are under 35 years of age are now required to meet a strict set of conditions and attend regular compulsory interviews to maintain access to the DSP (Macklin 2011). From June 2012 disabled people under 35 years deemed capable of working for eight hours or more per week will have to wait 36 months prior to gaining access to the DSP and will be referred automatically onto the NewStart Allowance (PWDAustralia 2011). Compulsory requirements, such as ‘participation plans’ and ongoing regular interviews are embedded throughout the new requirements and access to the DSP for this group of disabled people is now conditional on successive failures to find a job. Only those people categorised as being severely disabled and unable to work under 35 years will automatically qualify for a disability benefit. As Bramble and Kuhn (2011) suggest, the shift to a Labor Government has meant the ongoing retrenchment of social security support, alongside the imposition of compulsory work measures, enforced by a benefit sanctioning regime.

**Income replacement benefits and disabled people in the UK**

Compared to Australia, Britain was a latecomer in terms of developing benefits specifically for disabled people. While, as we have seen, in Australia the IP was
introduced in 1910, in the UK Burchardt (1999, 5) notes that ‘prior to 1971, those unable to work due to sickness or disability were generally not distinguished from other non-workers, and simply received means-tested assistance, if they were poor enough’. However, in 1971 disabled people were denoted from other categories of claimants on the introduction of Invalidity Benefit (IVB) which was replaced by IB in 1995 and which, in turn, was replaced by Employment and Support Allowance in 2008. Increasing numbers of people receiving IVB (from 415,000 to 1,306,000 in 1991 (Lonsdale 1993), see Table 1) had by the 1990s become problematic for Conservative governments that were keen to limit spending on the welfare state generally, and on benefits in particular, and to incentivise people to take paid work. The introduction of IB as a replacement for IVB in 1995 was, at least in part, framed by concerns with its rising costs that were located in ‘the view that IVB was being used as an early retirement benefit or as a more attractive and long-term alternative to unemployment benefit’ (McKeever 2000, 151/C1). In other words, out-of-work benefits for disabled people, as they had been in Australia, stood accused of providing people with an alternative form of income to either wages or less valuable unemployment benefits. Such concerns continued with the replacement of a Conservative government by an albeit ‘new’ Labour government in 1997.

Between 1997 and 2010 Labour governments took the view, structured through a conjoining of neoliberal economics and neo-conservative communitarianism (c.f. Callinicos 2001), that benefit policy for both able-bodied and disabled people should be informed by a ‘work first’ approach that, initially at least, aimed to divert money saved from benefit payments to disabled people to welfare interventions, notably education and health, that are organised on a more universalistic basis in the UK and that are more politically more popular (c.f. Kemp 2000; Piggott and Grover 2009). Resistance from disabled people and MPs made the government’s initial position untenable (Kemp 2000), but nevertheless, a stricter test of disabled people’s capacity to labour (the Personal Capability Assessment) and compulsory ‘work first’ interviews were introduced in the Welfare Reform and Pensions Act 1999 (see McKeever 2000).

Those trends – tougher criteria in order to claim income replacement benefits for disabled people and increased pressure to make efforts to (re)enter paid work – was to continue in the replacement of IB with the ESA in 2008. For the UK government the ESA provided the means of tackling what it perceived as being the main problems with IB, like in the case of DSP in Australia, that too many people accessed it and not enough people left it (the in and out-flow ‘problems’) (Secretary of State for Work and Pensions 2006). It was argued that the ESA would help to address these deficiencies: first, by making it more difficult to claim and, second, by doing more to ensure people left it as soon as was possible. The first of these involved the introduction of a new assessment (the Work Capability Assessment) that made it more difficult to claim ESA compared to IB (see Messere and Stenger 2007) and by excluding applicants’ GPs from the process of judging whether the former were capable of working (see Grover and Piggott 2007). Prior to the introduction of the ESA it was estimated that a half of all applicants to it would fail its new WCA (Henderson 2007). This represented an increase of a third over the previous PCA (Grover and Piggott 2010a). However, the WCA has been even more successful in declaring people capable for work; two-thirds (66 per cent) of applicants to the ESA have, after taking the WCA, been declared capable to work (Department for Work
and Pensions 2010a) and, therefore, have to either find work or register as unemployed to claim Jobseeker’s Allowance.

The government’s reaction to this was that the rate of refusal was essentially unproblematic (Department for Work and Pensions, 2009a, 2010b), although the first of five yearly independent reports into the operation of the WCA noted that there were ‘clear and consistent criticisms of the whole system and much negativity surrounding the process’ (Harrington 2010, 9). These criticisms were mostly concerned with whether the WCA was able to reliably identify those people unable to work and with the knowledge of those people doing assessments of a wide variety of intellectual, mental and physical disabilities and their impact upon the ability of applicants to the ESA to work (for example, Arthritis Care 2010; Disability Alliance 2010; Mind 2010; Muscular Dystrophy Campaign 2010; NACAB 2010).

In terms of getting people to leave benefits, the ESA takes a dual approach. First, via the WCA, and beyond those found through its application to be capable of working, it sorts disabled people into two groups: a Work Related Activity Group (WRAG) (those people deemed capable of engaging with mandatory activities to prepare them for (re)entry into paid work) and a Support Group (SG), the members of which are not expected to engage with such activities because they ‘have a severe limitation which creates a significant disability in relation to the labour market, regardless of any adaptation they may make or support with which they may be provided’ (Department for Work and Pensions [DWP] 2009a, 8). Only a very small proportion – about 10 percent of those people completing the WCA – are sorted into the support group (DWP 2010a). Therefore, on the threat of benefit sanctions the majority of people claiming ESA have to engage in activities that are supposed to help them (re)enter paid work. These include a series of ‘work first’ interviews with a personal adviser, the aim of which is devise an action plan outlining how the ESA claimant intends to return to work. In addition, the majority of claimants in the WRAG can be mandated to engage in ‘work related’ activities, such as ‘work tasters, improving employability, job search assistance and stabilising life and in some circumstances, managing health in work’ (DWP 2009b, para. 290). While people in the WRAG cannot be mandated to apply for or take a particular job, it is clear that the ESA is part of a trend towards defining disabled people as being capable of working at some point in the future on the threat of benefit sanctions (Patrick 2011a, 2011b).

Second, compared to the previous IB and over the longer-term, ESA reduces the amount of out-of-work financial support disabled people can claim. IB increased with the length of time a person received it. This, however, was condemned by the then Labour government as ‘trap[ping] people into a lifetime of dependency’ (Secretary of State for Work and Pensions 2006, 4). The ESA changed the structure of payments so that additions to the basic rate of, and increases over the longer term in, IB were removed. In the name of preserving the financial incentive to take paid work disabled people are to be further impoverished (see Grover and Piggott 2010), something that will be exacerbated by the current coalition government’s austerity package that will erode the value of benefits paid to disabled people and, in the case of the social insurance version of ESA, that will severely shorten (from no time limit to one year) the length of time it can be received by people in the WRAG (Chancellor of the Exchequer 2010a, 2010b).
Explaining change to social security regimes for disabled people in Australia and Britain

In the previous sections we have seen that in the past two decades or so there have been dramatic changes to benefits for workless disabled people in Australia and Britain. While there are differences in detail, it is clear that both countries have attempted to reduce the number of people claiming such benefits by addressing the perceived ‘on-flow problem’ and ‘out-flow problem’ of income replacement benefits for disabled people by making such benefits more difficult to claim by tightening eligibility criteria, making them less generous in value and linking their receipt for the majority of claimants to mandated labour market interventions that have increased the demands made of disabled people to make efforts to (re)enter paid work.

The question that the similarities in trends of the treatment of disabled people in the social security regimes of Australia and the UK raises is why two countries that are so geographically distant have pursued them. It might be argued, for example, that both countries have faced similar economic and social diswelfares and that they came to similar conclusions about the possibilities of dealing with them independently. By the turn of 20th century, for example, both Australia and Britain were facing:

- tightening labour markets (as defined by measures of official unemployment), but relatively high rates of worklessness among groups, including disabled people, that were not officially defined as unemployment;
- a polarisation in the distribution of paid work between ‘work rich’ and ‘work poor’ households;
- concerns with the numbers of people receiving out-of-work benefits because of the alleged effects that this had upon their motivation for paid work and their wider attitudes (the so-called ‘dependency culture’);
- concerns with the potential inter-generational effects of worklessness and ‘benefit dependency’ that although initially applied to officially defined unemployed people were later also applied to disabled people;
- concerns with the wider impacts of worklessness, in particular social exclusion.
- concerns within the context of an ageing of working age people securing entitlements to ‘additional cost’ disability benefits (Disability Support Services in Australia and Disability Living Allowance in the UK) that are kept in retirement (for example Layard 1997a, 1997b; HM Treasury 1997; Grover and Stewart 1999; Reference Group on Welfare Reform 2000; Argy 2005; Dawkins, Gregg, and Scutella 2002; Keating 2006; Hamer 2009).

The historical and institutional bases of social security policy in Australia and the UK and a belief in the two countries in orthodox policy analyses that locate worklessness in an individual and economic rationality, might suggest the ways in which such issues can be addressed are limited in scope. Given this, it could be argued that similar conclusions were reached independently in each country about the perceived need for a greater focus upon getting disabled people into paid work through changing their social security regimes. However, given the claim that in recent years public welfare policy has become ‘internationalised’ (Banks et al. 2005) and the literature on ‘policy transfer’ (see, for example, Peck and Theodore 2001;...
Pierson 2003) such an argument seems unlikely. There is perhaps more significance in exploring the argument that nation-states look to each other for inspiration when searching for policies to address what were seen as deep-rooted problems.

The idea of ‘policy transfer’ – ‘knowledge about policies’ administrative arrangements, institutions and ideas in another setting’ which can then be readily transferred to another nation-state (Dolowitz and Marsh 2000) – is in many senses problematic. Most notably, for example, it is difficult, given the differing contexts (for example, cultural, economic, institutional and political) to understand policy transfer as merely denoting the convergence of policy between countries (Peck and Theodore 2001). As we have noted, for example, while the trends are similar in Australia and the UK, the detail of policy (for example, the tests of disability to grant access to income replacement benefits and what disabled people have to do to fulfil the demands made of them to (re)enter paid work) are different. That said, it is clear that there has been some policy transfer between the two countries. Peck and Theodore (2001, 449), for example, noted that in the UK the idea that social security policy was becoming Americanised in the 1990s over-stated the narrowness of the countries that the UK looked for ideas about policies. They quote a senior civil servant who told them that in addition to America and some European countries Britain had taken a ‘strong interest in the Australian experience’. Furthermore, Pierson (2003) notes that in the 1990s there is evidence of policy transfer between the Labor governments of Australia and the Labour Party in opposition in the UK at the level of strategy and policies related to unemployment. It is also the case that bodies working at the international scale (for example, OECD 2003; International Monetary Fund 2004, 2011a, 2011b), have helped to problematise income maintenance policies for disabled people, and have highlighted examples of so-called ‘good practice’ in various countries as a means for others to follow. Such work is also likely to indicate to policy makers the benefits and pitfalls of pursuing particular policies and policy directions.

The focus upon policy transfer, however, is administratively problematic. This is because for reasons we have highlighted regarding the institutional and historical specificity of social security policy, it is, beyond broad claims about ‘interest’ in the influence of regimes in other countries, never particularly clear to what extant there is ‘transfer’ and how this influences the policies of nation states. Furthermore, the focus upon policy transfer says little about the overriding strategic aims of governments and the ways that these reflect and help constitute wider social structures. Those analyses that emphasise the nature of challenges that nation states face as an explanation for developments in policy are essentially liberal in character and define the state and its agencies as essentially benign and working towards (albeit undefined or hazily defined) concepts of the social ‘good’. However, as has been pointed out in the case of Australia (for example, Galvin 2004; Humpage 2007; Soldatic and Pini 2012) and the UK (Roulstone 2000; Piggott and Grover 2009; Grover and Piggott 2010; Patrick 2011a, 2011b) what is often described in positive terms—as, for example, ‘enabling’ and ‘inclusionary’ for disabled people in our case—is often wrapped in authoritarian discourses, and has detrimental impacts upon the material well-being of disabled people and is felt as exclusionary (see, for example, Campbell et al. 2011 (Spartacus Report); Briant, Watson, and Philo 2011; Soldatic and Meekosha forthcoming; Morris 2006). In other words, there is little that is benign about such developments.

In this context, the focus becomes that which is common to both countries, rather than attempting to demonstrate how one country (given the chronology, Australia in...
our focus) has influenced another (the UK). What is common to both countries is
the acceptance of neo-liberalism as being the most relevant paradigm to frame
economic development and an acceptance that social security policies are part of the
social embeddedness of capitalism within welfare regimes (Jessop 2002). In this sense,
it is possible to locate the changing nature of social security regimes for workless
disabled people in Australia and the UK in wider political economy concerns. Social
policy, and social security policy in particular, is crucial to understanding the
operation of capitalism that, despite the protestation of neoliberal apologists,
requires state action in order for its reproduction (for example, Jessop 1994a,
1994b, 2002). This is because for working age people social security policies are
located in the intersection between being in and out of work, between perceptions of
responsibility and fecklessness, ‘dependency’ and ‘independence’. Because social
security policy is located at these intersections it is held to have the potential to
facilitate or hinder accumulation regimes to which paid employment is central.
Locating changes to social security policies for disabled people in such considera-
tions means that at least one of the strategic concerns of the state
is acknowledged and placed at the centre of the
analysis. In both Australia and the UK the shift in economic orthodoxy from
Keynesian to neoliberalism over the past four decades has been central to the
changes in social security benefits for disabled people that we highlighted above.

The neoliberal turn and social security policy

Neoliberalism is a varied set of ideas that are united by their belief that markets free
from institutional interferences are the best way of organising economic and civil
society. Its central thesis is that allowing people the freedom to pursue their own
goals is the most efficient form of socio-economic organisation and the one that
brings the greatest degree of harmony (Hayek 1944; for discussion, O’Brien and
Penna 1998). However, it would be wrong to suggest that neoliberalism necessarily
involves the absence of state intervention. Neoliberal thinkers themselves, for
instance, point to the state’s ‘role in ensuring the material well-being of the least
well off in society’ (Penna and O’Brien 2009, 111). However, it is also the case that
because capitalism (even in its neoliberal form) is a socially-embedded process (c.f.
Marx 1974), it requires state intervention to ensure its longer-term reproduction.

This relationship has been theorised in different ways by Marxist and neo-
Marxist social policy analysts who, albeit with different emphases, suggest that the
socially-embedded nature of the capitalism means social policy interventions are a
crucial aspect of capitalist economies. For example, analysts such as Gough (1979),
O’Connor, (1973) and Offe (1984) argue that the welfare state in capitalist societies
had essentially a dual role: the reproduction and legitimation of capitalism. The
former acts to provide for the long-term needs of capital by, for example, ensuring
the social reproduction of a relatively disciplined, healthy and skilled workforce,
while the latter, attempts to address the worst of its exploitative excesses via social
policy measures. The conceptual concern in the 1970s was whether the latter roles of
social policy undermined the former. Such views suggested that social welfare
policies were inconsistent with the longer-term survival of capitalism. Hence, Offe’s
(1984, 153, original emphasis) claim: that ‘capitalism cannot coexist with, neither can it coexist without, the welfare state’.
In contrast, regulation theorists are concerned with the ways in which capitalism is reproduced and stabilised over the longer-term (for example Jessop 1994a, 1994b, 2002). The state, and the welfare state in particular, is central to this process. Along with extra-state institutions, it is concerned with the social regulation of the economic sphere. In this context, Jessop (2002), for instance, argues that the state has a crucial role to play in the reproduction of labour over the longer term because such a process cannot be left to chance. Capitalism needs labour as it is through the extraction of the surplus value that profitability is ensured. However, neither labour nor capital necessarily has strategic concerns with its reproduction at the centre of their interest. Workers, for instance, for a variety of reasons, may not spend their wages on the reproduction of their labour power, while the labour process itself may be harmful to the reproduction of labour power (for example, over-exploitation through excessive work hours and health and safety issues, such as accidents at work and industrial diseases) (see Jessop 2002).

However, there are tensions in state involvement. In the 1970s, for example, the tension was between, on the one hand, the need for legitimation and consumption and, on the other hand, the profitability of capital. In more contemporary times and at a micro-level, there are concerns in both Australia and the UK that social security provision for workless people merely acts to disincentivise them from seeking paid work. For the reproduction of capitalism this is particularly problematic. The fear is that social security measures starve enterprises of labour, meaning that those who are willing to work are more expensive to employ, and that in the longer-term labour will become ill-disciplined and may even raise future generations with similar negative attitudes towards paid work. However, not to provide social security support for workless people is equally problematic because not to do so has the potential, as analysts in the 1970s argued, to erode the legitimacy of capitalism. Such dilemmas and tensions are arguably exacerbated by neoliberalism as an accumulation regime, for although it still has the longer-term strategic needs of social reproduction it is framed, as we have seen, by the disdain for state intervention because of its potential to stifle the efficiency of the free market. Indeed, Jessop (1994a, 24) argues, that under neoliberalism social policies have been:

subordinate[d] to the need [for] labour market flexibility and/or to the constraints of international competition...domestic full employment is de-prioritised in favour of international competitiveness and redistributive welfare rights [have] take[n] second place to a productivist re-ordering of social policy.

Despite the fact that disabled people are often thought of as being less productive than able-bodied people, and paternalistic and pitying discourses, at least in the past, were often used to construct disabled people, the social security benefits they receive when workless have not been immune from such pressures under the emergence and intensification of neoliberalism as policy orthodoxy at the national scale.

Disability benefits, disabled people and neoliberalism

In many senses, it is not controversial to place the changes in benefit policy for the workless disabled introduced in Australia and the UK in a framework that focuses upon the relationship of disability benefits to the political economy. This is because the origins of the social model of disability lie in a material analysis of the exclusion
of disabled people from paid work with the rise of industrial capitalism (for example, Finkelstein 1980). Given the material basis of this analysis, we perhaps should not be surprised that disabled people in the neoliberal turn are in a precarious position. Not only are they held to be financially burdensome (hence, a potential drag on the profit of capitalism), they are also held to have detrimental supply-side effects that are also held to reduce profitability. Clarke’s (2004, 90) observation that as a project neoliberalism is committed “to ‘putting people to work’: expanding the range and variety of labour power that can be used in the continuing expansion of capitalist production and accumulation” is particularly insightful in this regard.

It is within the general trend of neoliberalism to ‘put people to work’ that the changes to the social security benefits for out-of-work disabled people in Australia and the UK can be found. It is no coincidence, for instance, that both countries’ first move towards more restrictive criteria for disability benefits started during a period of relatively high rates of unemployment (the 1990s), then these increased in pace and intensity during periods of relative tight labour markets (the 2000s). The most restrictive changes to the ‘disability category’ occurred when Australia and the UK were witnessing economic growth and the number of people claiming general unemployment benefits was falling. In the context of Clarke’s (2004) assertions about the relationships between neoliberalism and labour power, as outlined earlier, the state, in both Australia and the UK, interpreted such trends in worklessness (economic inactivity) beyond those people officially defined as ‘unemployed’ as being particularly problematic. As the supply of labour tightened, workless disabled people on benefits gained greater focus within national labour market policy and social security eligibility criteria were tightened according to these movements.

It was estimated by Argy (2005), for example, that in Australia by 2004 there were at least 200,000 ‘discouraged workers’ (those who might not be actively looking for work, but would take it if the right job were available), a figure made up of disabled people and lone mothers. In the UK by the mid 2000s the government was pointing to economic inactivity, as opposed to unemployment, as being the main problem facing the UK’s labour market (Secretary of State for Work and Pensions 2006), a problem that led it to outline plans to reduce by a million the number of working age people receiving out-of-work benefits for disabled people. These are important observations when placed in the context of Watson’s (2002) work on the reserve army in Australia. For Watson (2002, 96), labour market policy in Australia in the 1990s, ‘both the practical assistance of the Keating government, and the moral and financial pressure of the Howard government—have aimed to make the long-term unemployed ‘job ready’, a euphemism for integrating them into the . . . reserve army of the unemployed’. While Watson (2002) made the argument about the 1990s, it is equally, if not more applicable to the 2000s, as the number of people receiving DSP increased to reach 6.7 per cent of the labour force by 2002 (IMF 2004). The trends that Watson (2002) was concerned with have, as we have seen, intensified since the 1990s. For example, the passage of legislation change to restrict disability benefits eligibility (Welfare to Work Act 2005) was passed within 24 hours of labour market re-regulation (WorkChoices Act 2005) with the aim of moving the ‘most able of the disabled’ off social security benefits for disabled people and into the official category of the ‘unemployed’ (Soldatic and Pini 2009; Muir and Peetz 2010). This swells the ranks of the reserve army of labour by putting more people more closely into contact with labour markets.
Such arguments have also been made in the UK. Grover and Piggott (2007), for example, demonstrate how the then ‘new’ Labour government’s concern was with bringing greater numbers of people into competition for paid employment. A similar proportion (7 per cent by the mid 2000s, Secretary of State for Work and Pensions 2006) in the UK to Australia of the working age population was receiving out-of-work benefits for disabled people. The aim through the introduction of the ESA and more ‘personalised support’ to get disabled people into paid work was to reduce that proportion to less than 5 per cent by getting a million such people into paid employment (Secretary of State for Work and Pensions 2006). While this was held as being of benefit to the individuals on disability benefits, there can be little doubt that it was part of Britain’s macro-economic strategy to ensure that increasing employment rates did not increase wage inflation. Workless people, including disabled people, would have to become part of what the government described as the ‘effective labour supply’ (the reserve army of labour) that would keep wage inflation in check at a time when the demand for workers was increasing (Grover and Piggott 2005). Or, as the 2006 Green Paper announcing the ESA noted:

We [the UK] compete in an increasingly global economy and therefore we must make the best use of our most valuable assets – the talent of individuals. We cannot afford to lose the contribution of those who in the past were dependent upon long-term benefit’ (Secretary of State for Work and Pensions 2006, 20).

The above observations highlight the importance of the supply of labour to the accumulation process. In both Australia and the UK changes to benefits for disabled people have been central to dealing with issues related to the supply of labour. There can be little doubt that over the past two decades changes to social security benefits for disabled people were seen as being good for economic stability because of the linkages in orthodox economic analysis between the supply of labour and wage rates. The argument in both the UK (Grover and Piggott 2005) and Australia (Argy 2005; Keating 2006) was that in order to increase the amount of employment there had to be downward pressure on wage levels. Increased competition for paid work by increasing the size of the reserve army of labour is one means of securing this (Peck 2001). Without supply-side mechanisms designed to bring as many people into competition for paid work, the fear for the state is that economic growth, and hence the number of people in paid work, will be held back. Hence, in order to increase the number of people in paid work, including disabled people, it was held to be necessary to make changes in social security policy for them as a supply-side adjustment as a means of economic regulation.

This supply-side adjustment, and the state’s strategic interests in disability recategorisation, needs to be positioned within the neoliberal restructuring of labour markets – where there has been a steady decline in full time employment and the rapid and ongoing growth of part-time labour markets in both Australia and the UK (Jessop 2002; Peck 2001). In Australia, labour market expansion within part-time labour markets is at almost three times that of full-time work (job growth for the December 2011 quarter stood at 34,000 part time jobs versus 12,300 full time jobs, ABS 2012) which are not dissimilar to UK labour market restructuring trends (the number of people in full time employment fell by 57,000 but the number of people in part time work increased by 75,000 for the same period; ONS 2012). In effect, disabled people’s positioning within the reserve army of labour is targeted at this new
temporal labour market norm, where disability qualification regimes have been redefined along part-time lines (Soldatic 2012). The restricting of disability benefits through tightening eligibility access is to move disabled people into part-time work, and place downward pressure on wage rates with the neoliberal labour market restructuring where low-wage part-time work has dominated. In both Australia and the UK, disabled people not only work in part-time labour markets, but the labour markets in which they work are more precarious in both conditions and pay (ABS 2011; ONS 2011). Thus, disability benefits in both countries can be positioned in relation to the state's strategic necessity to restructure social security benefits in line with neoliberal labour market trends.

Conclusion

There can be little doubt that the direction of travel of social security regimes for disabled people in Australia and the UK are similar. Benefits for such people are becoming more difficult to claim because of increasingly restrictive eligibility criteria increasing the expectation that the majority of disabled people will make an effort to (re)enter paid work and this is enforced through toughened benefit sanctions. In many senses, these trends represent what Stone (1984, 118) describes as the 'disability category', a category 'to keep everyone in the work-based activity distributive system except for the very neediest people'. Who might be termed the 'very neediest' changes over time and is related to a range of economic, political and social concerns that are constructed through particular discursive and ideological frameworks (Soldatic and Meekosha 2012). Both Australia and the UK are witnessing the emergence of a more restricted 'disability category' which can be explained through reference to the neoliberal turn in which the relief of the financial needs of disabled people are being subverted to productivist concerns with labour flexibility, growth in part-time, casualised labour markets and low wages related to international economic competition. What this means for working age disabled people is that they are now experiencing a diminishing citizenship as previous entitlements are reduced in value and made more precarious through their link to employment-related conditionality (Reeve and Soldatic 2012). As Dorn and Keirns (2010) have argued, this has a range of negative consequences for disabled people’s health and wellbeing, such as increasing social isolation through the deepening stigmatisation of ‘disability’ within neoliberal discourses, and the removal of vital resources that support their participation within the social sphere.

The neoliberal restructuring of social security regimes, however, is unlikely to ever be complete. Despite the current economic crisis, the neoliberal project is still hegemonic and into the future it is likely that the disability category will continue to be rewritten as new tensions and dilemmas emerge and old ones re-emerge. This suggests a continuing need for comparative analysis, both to understand the ramifications of such policy directions for disabled people and to gain a critical insight into the central role of disability for state policy regimes and the types of citizenship that is afforded to disabled people under such regimes. Comparative disability policy analysis needs to be more than an intellectual endeavour, but, in line with more critical traditions, work towards promulgating valuable insights for those activists and advocates seeking to interrupt and disrupt the perceived inevitability of neoliberal workfare regimes.
References


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