

## **Benefit traps (revisited): Labour's backbench rebellions over welfare reform**

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It is hardly novel for a Labour Government to find itself in difficulties with its backbenchers over benefit reform. The current concerns about mooted changes to Incapacity Benefit (IB) are merely the latest in a long line of rebellions by Labour MPs against proposals to reform welfare policy.

This short briefing note has two distinct purposes:

First, it provides a short analysis of the targets of John Hutton's letter to those MPs with the largest IB recipients in their constituencies as part of his campaign to reform the system.

And second, it provides details of the largest revolts by Labour backbenchers against their governments on welfare reform, from 1924 onwards.

### **John Hutton gets writing**

On 3 January 2006, it was announced by the Department of Work and Pensions that the Secretary of State, John Hutton, was writing to the MPs of the 100 areas with the highest number of IB claimants, 'ahead of planned reform of the welfare state aimed at getting people back to work and improving the life chances of their constituents'. The analysis of the data released by the DWP showed that 'as many as half of the most severe pockets of deprivation' in Great Britain are within these 100 constituencies (people living in these 100 constituencies being five times more likely to live in pockets of severe deprivation than those in the rest of the country). Hutton claimed that the link between benefit dependency and hardship was 'striking':

I do not believe we should accept a system that perpetuates hardship and denies people the opportunity to better their lives by accessing the world of work. The vast majority of people who start receiving incapacity benefit want to go back into work, but the system currently provides them with little help in doing so.<sup>†</sup>

This – both the letter, and (more importantly) the publicity that accompanies it – is an attempt to construct a Labour 'narrative' (important concept, horrible word) around the proposed reforms. In this, John Hutton is reprising the approach taken to both Foundation Hospitals and Higher Education reform in the last 2001-2005

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\* Both authors are based at the University of Nottingham. This briefing note draws on research funded by the Economic and Social Research Council, and is available from [www.revolts.co.uk](http://www.revolts.co.uk).

<sup>†</sup> 'John Hutton Highlights Clear Link Between Benefit Dependency and Deprivation', Press Notice from the DWP, 3 January 2006.

Parliament.<sup>‡</sup> Foundation Hospitals became more acceptable to the PLP when they were sold as providing the choice for the poor that the wealthy had always enjoyed. Top up fees became more acceptable when instead of being sold as a way of providing elite universities with increased funding (a concept which, amazingly, didn't get Labour MPs flinging their hats in the air with joy) they were sold as a way of getting more working class students into university and ending the *de facto* subsidisation of middle class university students by working class voters – a shift in emphasis summarised by one whip as 'from helping universities to helping students'. Whether this tactic will work in the case of IB is, of course, more uncertain – but it is pretty clear that this is what John Hutton is attempting to achieve.

Not surprisingly, given the electoral geography of Great Britain, most of those being written to are Labour MPs. Of the 100 constituencies with the most recipients of IB, there are just six which are not held by Labour: two Lib Dems, one Independent, one Respect, one Conservative, and the Speaker.

The majority of the Labour MPs have rebelled against their government before: 49 had rebelled in the last Parliament, and 16 have rebelled so far this Parliament. Of the 16, all but one (Sian James, one of the 2005 intake) had also rebelled in the previous Parliament, bringing the total number of Labour backbench rebels in the list to 50. Rebels are particularly concentrated in the top quartile of the IB constituencies: of the top 25 IB constituencies, 23 were Labour and 19 of these had rebelled.

Two other things are noticeable about the identities of those MPs being written to by John Hutton. First, although they include lots of MPs with experience of rebellion, few of these are the most troublesome to the whips. Of the 20 most rebellious Labour MPs from the last Parliament who remain in the Commons, just six of them sit for the 100 seats with the highest numbers of IB recipients.

And second, the recipients also include relatively few 'loyal' backbenchers. Of the 44 Labour MPs who have not rebelled before, the majority are part of the payroll vote, either as Ministers, whips or PPSs. They include Hutton himself,<sup>§</sup> the Prime Minister, and the Party Chairman. Out of the 94 Labour MPs on the list, there are just 11 who are on the backbenches and who have not yet rebelled against the whip (six of whom came in at or after the 2005 contest).

So, around half the recipients of Hutton's letter therefore are, disproportionately, the very people he has to win over if he is to get many of his proposed reforms through the Commons – including few of the utterly unpersuadables, but many that will need to be persuaded. Whilst most of the other half of the recipients are people on whose vote he can automatically depend.

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<sup>‡</sup> This is dealt with in more detail in P. Cowley, *The Rebels. How Blair Misled His Majority*, Politico's, 2005, pp. 148-150 (foundation hospitals) and 183-184 (higher education).

<sup>§</sup> Did he *really* write to himself? Did he *really* sign a letter written to himself? If he did, that's a bit sad. If he didn't, then the press release should really say that he wrote to the MPs of the 99 MPs with the highest number of claimants – or else it's another Labour lie!

## History

The 2001 Parliament did not see any medium or large sized Labour rebellions over welfare issues – the largest involved just five MPs – but this marked it out as unusual compared to previous Labour Governments.

### *Pre-war*

The largest backbench revolt against the very first Labour Government in 1924 was over benefits. A total of 73 Labour MPs – almost four out of every ten members of the PLP – voted against the MacDonald Government over the right of strikers to claim unemployment benefit. As a percentage of the PLP, this remains the largest ever rebellion by Labour backbenchers against their government, larger (in percentage terms) even than the revolts over Iraq. There were further rebellions on the Bill involving 68 and 43 rebels.

MacDonald's second government, 1929-31, also struggled with the issue of unemployment benefit. The Unemployment Insurance (No 2) Bill, for example, saw repeated rebellions – the largest seeing 32 Labour MPs support an attempt by Jennie Lee to increase the level of benefit paid to the children of the unemployed from two shillings to five shillings a week. No fewer than 46 of the 62 divisions which witnessed Labour dissent in the 1930-31 session were on the issue of unemployment. Of these, an astonishing 39 took place on one bill – the Unemployment Insurance (No 3) Bill – which sought to impose various restrictions on the entitlement to benefit of various categories of workers. The legislation, which became known as the Anomalies Bill, was opposed by a determined group of Labour MPs. On 15 July 1931, Labour backbenchers opposed the Bill in 32 straight divisions (33 including the Business of the House motion at the beginning of the day's parliamentary business), making it the highest number of Labour consecutive rebellions to take place in one day in any Labour Government before or since.

### *Post-war*

There were also significant rebellions over benefits in 1946 (32 Labour MPs rebelled over a clause in the National Insurance Bill that required claimants to apply to a tribunal for assistance after 180 days), in 1976 (30 rebelled over the Social Security (Misc Provisions) Bill that, *inter alia*, placed restrictions on the unemployment benefit of occupational pensioners) and in 1977 (when Audrey Wise moved an amendment to the Finance Bill, supported by 34 Labour MPs, that would have excluded from the calculation of taxable income the dependency allowance for dependent children of widows and others).

Of the three issues to see the largest rebellions during the 1997 Parliament, two of them were benefits issues. The issue of lone parent benefit contained in the Social Security Bill triggered the first major Government rebellion of the 1997 Parliament. 47 MPs voted against their whips, plus abstentions, and four MPs resigned from the Government. The later Welfare Reform and Pensions Bill triggered a total of 10 separate rebellions, involving a total of 74 MPs. The largest rebellion involved 67 MPs, plus a large number of abstentions. That was the largest revolt against the whip during the 1997 Parliament.