

## BOOK REVIEW SYMPOSIUM

### Good Times Bad Times: The Welfare Myth of Them and Us

John Hills  
Bristol: Policy Press, 2015, pp.334, £12.99 (pb)  
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#### Editorial introduction

Welcome to our first interactive book review, where we have asked three eminent commentators to share their thoughts and insights on a key text of the moment. The format of the review reflects the process of its production, whereby the second and third contributors complement an initial keynote statement, and then all three add further thoughts, either in response to each other's points or to address new developments in what is a fast-moving area of policy.

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**Ian Cole**  
Sheffield Hallam University

When Peter Townsend's magisterial, 1200 page book *Poverty in the United Kingdom* was published, I had just completed postgraduate study in social policy at the University of York, with lecturers such as Jonathan Bradshaw debating the respective merits of universalism and selectivity in the welfare system. (This distinction now seems almost quaint in these more punitive and divisive times). Townsend's book was a major event, the culmination of years of research and writing, and a major contribution to the social policy canon. It provided a battery of statistics and arguments to support Townsend's adherence to the concept of relative deprivation and swept up in its path different methods of measuring poverty, different dimensions of poverty, different groups in poverty and devoted one chapter in the middle of the book to 'the rich'. It concluded with a list of six actions required to combat poverty. The first two were the 'control of excessive wealth' and the 'control of excessive income'. *Poverty in the UK* was both reasoned and impassioned and stuffed to the gills with statistical analysis. The year of publication? 1979. The year Margaret Thatcher was elected, ushering in a period where levels of inequality in Britain increased markedly and when the prospects of any assault on wealth and affluence disappeared rapidly and the assault on the poor began in earnest.

This thought came to mind on reading John Hills' book *Good Times, Bad Times: The Welfare Myth of Them and Us*. It is not as exhaustive in its coverage as Townsend's book and it is more cautious in charting a positive way forward, as one might expect given the extent to which debates about poverty and welfare have tilted to the right in the past 35 years. But I find it equally impressive. Hills deftly navigates a course through a mass of histograms, graphs and tables to keep to his central theme: the impermeable social divisions that apparently mark differences between the independent 'us' from the welfare-dependent 'them'; skivers versus strivers, takers versus makers, and all that. The reality, Hills shows, is more dynamic and the vast majority of us both contribute to and benefit from the system of social welfare in the course of our lives. It is 'our' welfare state. And, the year of publication for this book? 2015. The year in which the Conservatives returned to office after a hiatus of nearly 20 years, elected in part on a commitment to reduce welfare spending by £12 billion a year, and to carry on shrinking the state thereafter.

Hills' starting point for his analysis is Seebohm Rowntree's insight more than a century ago on the 'life cycle' of 'want' and 'plenty' - his analysis of the way in which our resources and needs change during the life course. Those of working age contribute through various forms of taxation to the support that can be directed towards the young and those above working age. A redistribution takes place through time - a process denied by the resort to the frozen categories in Rowntree's time of 'the poor' and 'the rest of us'. Instead, Rowntree suggested, most of the labouring population would be in or on the margins of poverty at some stage in their lives. These are not innate and fixed characteristics. This language has now been updated into contrasts between 'hard working families' paying their taxes to support 'benefit dependents' who are too lazy to draw the curtains open before midday - a depiction that duly feeds into policy-making by caricature.

Hills looks at the redistributive effects of social spending, and taxation and changing public attitudes to welfare, and then looks over the course of the life cycle at who benefits from and who contributes to the welfare system. He then examines what happens to people's resources, incomes and benefits over different time frames - from the short-run (the week-by-week fluctuations that many people experience, especially in the current era of increased precarity) to the longer-run, concluding with an analysis of different outcomes and life chances across the generations. In this, he poses the question that has taxed those with egalitarian tendencies over the years - how can equality of opportunity be achieved when people's starting points, thanks to their parents, are so different? Unless the transmission of income, wealth, power and prestige can be confronted by direct intervention, all the pained words about 'lack of social mobility' will sound decidedly hollow, as the products of the Commission on Social Mobility and Child Poverty chaired by Alan Milburn have testified (Social Mobility and Child Poverty Commission, 2014). But one imagines that an echo of Townsend's plea for an assault on wealth to address such issues is still likely to fall on stony ground, like it did in 1979.

The book is carefully argued and is intended as a work of synthesis that is accessible to an audience wider than just social policy academics and students. One move in this direction is Hills' use of two fictitious families - the Ackroyds (living in Salford) and the Osbornes (living in leafy Cheshire) - to illustrate the distributional impact of various measures in taxation benefits and welfare provision. You can no doubt identify the more affluent family here from their home territory, and not just their surnames. This approach is familiar territory in television news coverage of topics such as the budget - a brief narrative, a few graphs and visual ornamentation and then a stock vox pop interview with a hard-pressed family from Dulwich and the director of a small firm making iron filings from Dudley.

Hills presumably takes this approach in order to render the complex interplay between taxes, assets, income and benefits more digestible for the reader. I think he manages to achieve this without 'dumbing down', though it can get a little wearying to read about these families often. Nevertheless, it does provide a channel for wider points to be made. To take just two of the many examples, the single parent Michelle Ackroyd lost nearly six percent of her net income from tax and benefit changes introduced between 2010 and 2014, while the affluent (but not super-rich) Osbornes lost less than one per cent. Over the life cycle the poorer Ackroyds paid for two-thirds of what they got back in terms of welfare state support, while the richer Osbornes paid in more than they got out - but still got back five-sixths of what they put in. Such points help to expose just how far the lazy dualisms of the shirker/striver variety are misleading representations of who pays for and who gains from the welfare system.

In terms of my own area of specialism - housing - Hills gives a clear account of how the house price boom before 2008 affected the distribution of wealth in favour of existing home owners and against the interests of those not on the housing ladder. The boom is now returning fitfully (and in London it never really went away). With little prospect of any large-scale building programme, which would need a significant level of public investment, the continuing scarcity of housing will translate into a powerful source of social, economic and demographic division: the asset-rich, reluctant to downsize, against 'generation rent' denied access to home ownership. Hills also emphasises the importance of security of tenure in social housing, as providing an essential element of stability for those with jobs or seeking work, rather than acting as a barrier to employability, as claimed by both New Labour and Conservative ministers in recent years. This has been confirmed by various research reports in recent years, including a major study commissioned by DWP (Fletcher *et al.*, 2008).

John Hills is an economist, and in his conclusion I would have liked him to have lifted his gaze from the calculations and statistics a little more to explore some of the less tangible benefits of the welfare state that are now at risk - such as the sense of common destiny and solidarity it can engender. A little more analysis on the pervasive power of the media, and the way information is structured and conveyed in the digital age, would have also been useful in assessing the myth-making process itself. Nevertheless, his painstaking and penetrating analysis provides a forceful riposte to the myth of 'them' and 'us'. As he says, such myths have consequences.

But how many people will be reading this book? And who is listening to a defence of the welfare state in the wake of the Conservatives' election victory earlier in the year? This book has an initial print run of around 3,500. The Channel 4 television series *Benefits Street* had an average audience of 4.3 million. But perhaps it is not all bleak. Whatever else it does, the election of Jeremy Corbyn as leader of the Labour Party may provide some oxygen for alternative conceptions of 'austerity' and of who should pay for the welfare state, how much should be paid, and by when - and this book could be an invaluable source for dominant myths to be countered. If the Labour Party is going to get back to becoming more of a moral crusade and less of an apologia for austerity, reading *Good Times, Bad Times* would be a very good place to start.

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## Fran Bennett

University of Oxford

Ian Cole's final point, about the small numbers of readers for books such as *Good Times, Bad Times*, is a challenge for all academics who aspire to have some input into public debate, policy choices and even public opinion. Of this happy band, Hills has done more than almost anyone else in recent years, in my view, to translate academic analysis into clear and concise arguments in accessible formats.

*Good Times, Bad Times* is just the latest example of this mission. Hills has previously, for example, explained how the UK tax system works in an A4 illustrated pamphlet for the Child Poverty Action Group (Hills, 1988). Most importantly, perhaps, he introduced the Ackroyds and the Osbornes (well before the current Chancellor took office) in two television programmes about the patterns of tax, spending and distribution in the UK. And - even before the *tour de force* of *Good Times, Bad Times*, which brings together short-term, longer-term, lifetime and inter-generational flows of resources - these exercises were much more complex than an immediate snapshot of the impact of a one-off mix of policy measures. (*Good Times, Bad Times* was also, I believe, enriched by the author's feeling for the everyday lives of people on low incomes gained through recent qualitative research which followed the fluctuations in their income and expenditure over some time) (Hills *et al.*, 2006). Hills is committed to spreading the clarity of critical insights about the nature of society as widely as possible. In the current climate, in which impact and knowledge exchange are meant to count for more, this endeavour is at last perhaps getting the recognition it has long deserved.

It could be argued, though, that the core theme of the book reflects an old-fashioned view of the welfare state, in terms of its redistribution, insurance and savings functions - Robin Hood and William Beveridge, as they have been labelled by Hills and others (Barr, 2001). More recently, there has instead been a tendency to see the welfare state as embodying social investment, in particular in terms of building human capital (European Commission, 2013). A key argument here is that systems that provide compensation for misfortune or loss should be replaced (or, sometimes, complemented) by those that invest in improving capacities and skills to prevent or help people cope with such events. This perspective also emphasises the importance of social policies in creating a productive economy. The author does not follow this fashion fully here, perhaps preferring to argue for social policy principles in their own right, rather than as being instrumental to the achievement of other goals.

In addition, the new flat-rate state pension proposed by the Coalition government will increase reliance on private and occupational pensions for anything more than a basic income; and, under the current government, there is an increasing possibility that insurance companies may compete to take over other major social security functions, such as the provision of income during sick leave for workers. Yet there is not much in the book about private provision - though it does note that previous research by the author and others demonstrated that the average person would be likely to find paying for private cover costlier than the state equivalent, and that as a result they - and those considered bad risks in particular - might well find themselves excluded (Burchardt *et al.*, 1999).

Ian Cole's review hints at the power of the media to shape public opinion - a topic which Hills has also explored in studies of attitudes to 'welfare' (Hills, 2002). There is a conundrum at the heart of the book in relation to this issue, however. Whilst the 'welfare myth of them and us', described in the subtitle, relates largely to the social security system - with the popularity of benefits and benefit claimants decreasing

significantly over recent years - the analysis in *Good Times, Bad Times* relates to the welfare state more generally. The use of the term 'welfare' tends to muddy this distinction.

*Good Times, Bad Times* may be seen by some as embodying a belief that if only the myths about strivers versus skivers ('lifters' versus 'leaners' in Australia, or 'makers' versus 'takers' in the United States)<sup>1</sup> could be exposed through the kind of clear and compelling analysis demonstrated so consistently in it, this would result in a 'light bulb' moment for many that would lead to change. But such attitudes are not due only to misunderstanding or ignorance. The negative shift in public attitudes in recent years towards those on benefits in particular has other roots, especially (in my view) in the increasing insecurity amongst many caused by current trends in the labour market, and in policy decisions to narrow the scope of the social security system by Labour as well as Conservative governments from the 1990s onwards. The emphasis in the book on the importance of security reflects this insight - as well as being important in its own right (Orton, 2015), as a key element in creating a sense of a common destiny and solidarity (also mentioned by Ian Cole). It is this sense of common destiny and solidarity that is threatened by inequality itself - as well as by the myths that *Good Times, Bad Times* does so much to dispel.

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### Dan Silver

University of Manchester

*Good Times, Bad Times* provides a forensic investigation into the welfare state in the UK, and aims to expose the myths that have become an entrenched aspect of public opinion and indeed, public policy. This is a much-needed addition to a debate that has become characterised by misunderstanding, un-truths and policy-based evidence-making. The book is accessible, comprehensive and thought-provoking. It delivers both as a book to read in one sitting and also as a key point of reference to return to. Once completed, the reader can be in little doubt as to the myths that exist around the welfare state - although Fran Bennett is correct to argue that the use of 'welfare' when discussing myths largely around social security can confuse issues somewhat.

What Hills most importantly captures in my opinion is the dynamic nature of people's lives and how the welfare state intersects at different times, evidencing how we all benefit at certain points in our lives and when our circumstances change. For instance, Hills shows that most claimants of Jobseeker's Allowance only claim for two months, and that in a typical three month quarter in recent years, about one million people will have stopped working while about one million will have gained jobs. Further, Hills also notes that the reason why the long-term unemployment rate jumped between 2008 and 2010 was not because society suddenly found itself with many more 'scroungers', but because the economy shrank in the wake of the global financial crisis. Such points seem uncontroversial but they are counter to what we read and hear in the media and from many of our politicians.

It is particularly critical to have such counter-evidence in light of the government's powerful rhetoric on a 'dependent' underclass of people, most ridiculously shown through the claim that there exist many generations of families who have never worked - a 'fact' consistently failed to have been identified by several notable social scientists, which Hills points out. There are public policy implications to these myths that are in the spirit neither of an evidence-based approach, nor of a progressive direction. Through bringing together evidence in a clear, concise manner, *Good Times, Bad Times* provides academics and advocates of social justice with an essential tool with which to

be able to challenge the myths that are drawn upon to justify the transformation of the welfare state.

Ian Cole asks an important question of how many people will be reading this book, comparing the initial print run of 3500 to the *Benefits Street* audience of 4.3 million viewers. For me this touches upon the aspect that I feel is most fundamentally missing: that while Hills exposes the myths that circulate in the public consciousness, the critical questions of *how* and *why* are somewhat absent. This is connected to the dominant politics of the welfare state that we see today. The contextual social factors that affect people's lives are largely ignored, resulting in policy that focuses upon changing the behaviours of individuals in poverty, rather than addressing the systemic factors that (re)produce poverty and inequality. This unjust politics can be seen through the government's claim that the child poverty measure – defined as 60 per cent of median income – is 'deeply flawed' and that a better test would be to consider what they propose to be the 'root causes of poverty, including family breakdown, debt and addiction'. This stigmatising framework deftly deflects attention from the deep and extensive structural inequalities that exist in the UK and which benefit a particular class in society. It has been used in large part as a means through which to generate consent for austerity.

Hills shows that this happens and argues that: "It is the rich who have got more expensive, not, as has been alleged, that the 'cost' of the poor has risen." It therefore seems to be the next logical step to connect the process of myth-making with the differential outcomes that people might receive as a result; it is the mechanics of this myth-making that must also be exposed if we are to be able to effectively challenge it as critical scholars and activists. The interactions and roles of think-tanks, the media and politicians to create the myths that drive policy-based evidence-making are essential aspects of this debate.

Hills notes how the government's austerity policies have effectively led to regressive outcomes from the welfare state, and how they benefit a particular section of society; but for me, he could be a little more explicit. Perhaps this is outside the scope of *Good Times, Bad Times* - but in light of how impressive the book is, it would certainly be a welcome addition.

### **Ian Cole: Additional comments**

Since the 2015 election, of course, it has become clearer than ever that housing is the 'wobbliest' of the pillars of the welfare state (Malpass, 2003), and ripe for pushing over altogether. A full-blooded programme has been introduced to residualise still further what remains of social housing - through forcing local authorities to sell off property in the most valuable third of their stock when it becomes vacant, to help fund replacements caused by the introduction of the Right to Buy in the housing association sector, and through the pernicious Pay to Stay policy forcing households in social housing with an annual income above £30k (£40k in London) to pay market rents (or, as equally likely, to induce them to exercise the Right to Buy if they are eligible). Not for the first time, a Government ostensibly committed to shrinking the state is proving to be extremely interventionist in manipulating the housing system to meet its interests.

### **Dan Silver: Additional comments**

The recent debate around the cuts to tax credits has revealed the construction of another dividing line between 'deserving' and 'undeserving' welfare recipients in public discourse; there has been widespread opposition, including from Conservative MPs and right-wing commentators, to the proposed cuts to working and child tax credits, which will hit people working for low pay. On the other hand, there has been much less visible opposition to the proposed cuts of £30 per week to people receiving Employment and Support Allowance who are deemed able to move towards work in the future. For me, this exposes the divisions around the welfare state and also what is deemed to be 'moderate' opposition to socially deleterious cuts. Perhaps some myths are more acceptable than others.

### **Fran Bennett: Additional comments**

The Autumn Statement (HM Treasury, 2015) on 25 November 2015 included a climb-down by the Chancellor about the changes to tax credits proposed previously in his summer Budget (involving a large cut to the amount of earnings ignored before they count against entitlement, and an increase in the withdrawal rate). However, the pain is postponed rather than prevented, as somewhat similar cuts to Universal Credit announced in the same Budget will still go ahead. And, as Dan Silver notes, other social security cuts are proceeding as planned. In addition to the division between the 'deserving' and 'undeserving' that is often obvious in such measures, there is also a tendency to argue for reductions in social security expenditure in order to prevent cuts in other departmental budgets. The more residualised the (working age) social security system becomes, the more this may appeal to those who benefit from universal services but do not see themselves ever becoming claimants. This is yet another reason why *Good Times Bad Times* is required reading for our times.

### **Notes**

1 I am grateful to Peter Whiteford of the Crawford School of Public Policy at the Australian National University for these references. He is preparing a review of *Good Times, Bad Times* that will compare the situation in the UK and Australia, to be published shortly; contact [peter.whiteford@anu.edu.au](mailto:peter.whiteford@anu.edu.au)

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