

# Vision for our future

Reinventing Labour was a huge challenge. Now Tony Blair has taken on an even bigger task. He talks to **Hugo Young** about why we must transform our idea of what the state can do for us

**T**HE Prime Minister cannot think why anyone should imagine he intends, through welfare reform, to damage a single needy person anywhere in the land. He is utterly, and genuinely incredulous. "This idea that we're going to start harming people who are seriously disabled, or in wheelchairs or something, is ludicrous," he says. "I didn't come into politics to do that."

I feel the fume of his disbelief perhaps especially because the Guardian, he contends, has done its bit to give the opposite impression. The main reason why disabled people and other benefits recipients are worried, he thinks, is because of scare-story propaganda that has filled the gap, the yawning chasm, that will only at some time later this year, if then, be loaded with the full specifics of reform. The void, in which he admits the debate is beginning, should be left undefiled by leak or rumour.

This is a methodological problem to which we will return. For the debate, it turns out, starts from a premise which reveals another zone of incredulity: that anyone can ask any questions about what is going on without putting at risk their reputation for good sense.

We had a swift, jousting conversation in Downing Street, just before Mr Blair boarded the train to start the welfare roadshow in the West Midlands. It showed him in all the unfringed innocence, the wide-eyed rationality, the untroubled self-belief, and the refusal to succumb with the slightest tremor of caution to the sacred cows of old socialist argument,

which got him where he is today. What agonises the Labour Party — what would startle all his predecessors, living and dead — appears barely to touch him. He cannot take seriously the notion that the welfare state is in need of anything other than radical reform.

So he has begun the teaching process. "I want to take the case to the people, face the hard questions and soak up some of the criticism," he said. "People can hear from me direct, without distortion." He wanted to "get them to first base", prove that this was "not a piece of political machismo," "not a redundant, or foolish, or irrelevant battle, but actually important."

Its importance lies only partly in the exploding welfare budget. He can't deny that Britain hovers somewhere around 15th in the world league table for social security spending, though there are different ways of counting. Considered on its own, the level of spend, and even of future spend, can be exaggerated into a crisis. But that, in any case, is not his point. His point is that the costs

and benefits of all this spending, nearly £100 billion, are so grotesquely ill-matched as to be a scandal any new government must attend to.

Blair reels off a number of statements that define the basic problem as he sees it, the platform planks from which he starts.

"If you look at the way the system operates today, it doesn't very often get help to those that need it, and we carry on spending more and more on it, and we don't have the services that we require. It seems to me sensible to see if we can organise it better."

Or: "There must be something wrong with a system in which the spending has rocketed, so social security is far and away where spending is rising most, and rose most under the Tories, in circumstances where poverty has gone up, and the bottom 20 per cent of the population has seen their share of the benefits drop."

Or: "I think what is helpful is for people to focus on whether the system is serving either of its two tasks. Is it helping people who are genuinely in need? And is it helping people who can work, to work?"

He seems to believe quite passionately that the system, as it stands, is helping far fewer people than it should. Not too many, but too few. Yet surely, I suggest, it is axiomatic that, in order to help more of the people who need it, the benefits system will have to be withdrawn from some people.

This takes us into the first delicate minefield. "We have to wait and see," the Prime Minister said.

But if it's to be more selective, it surely follows that some people will no longer get their present benefits? After all, everyone agrees that not everybody needs what they're getting.

"Yes," he replied, "but it depends how you make the change. We perceive that the structure of the system must certainly change. Exactly how that's done, that is the question."

So you aren't even prepared to say that some people are going to be losers?

"Well, some people may be winners. Let's wait and see the final set of proposals that we come up with."

That was not a glib, or even a wholly evasive, answer. At the bottom of it, I think, is the truth which in Blair's mind drives a lot of what he is doing. There's a real sense that everything which now unfolds, whatever its details, will be for the greatest good of the greatest number — indeed, the entire number — of the population. This carries it far above dreary questions of accountability, and even above the little business of what benefit levels actually are. It has to do with social, even moral, improvements from which nobody will be exempt.

First of all, it will address the very purpose of life. I put it to the Prime Minister that he was driven by a certain view of society — about the work ethic, about more people being locked into the gross domestic product, about wanting people to be doing things because it's good for their souls and good for their lives not to be dependent.

"I subscribe to that a 100 per cent," he replied vigorously. "To have a group of people set apart from society's mainstream, dependent on low levels of benefit, is not healthy for them or for the country."

Equally philanthropic was the relief it might be possible to give such people from pressures to commit fraud. Reformers, including Blair, have seized on evidence from the National Audit Office that billions are being lost by fraud. When I ventured £3 billion, he corrected me. It was more like £4 billion or £5 billion. An aspect of his view of the dependent society must therefore be that there are hundreds of thousands of people conning the system.

He put it a bit softer than that. But what mattered was the remedy at hand. The present system was positively designed to encourage abuse. To get people off the unemployment register, the Tories had pushed them into incapacity benefit, which as a result now

**What agonises the Labour Party appears barely to touch him**



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# A vision for our future

page 13 had six times more claimants than in 1979.

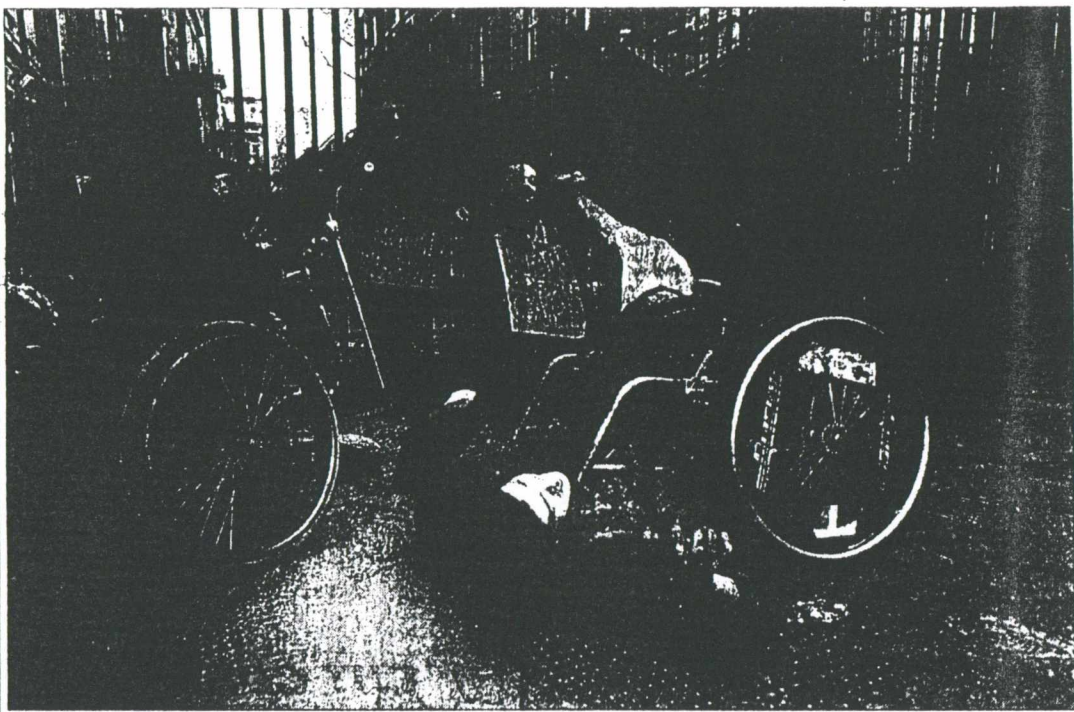
You can see adverts for rented accommodation, he was also shocked to say, specifying a tenant who must be on housing benefit. "I'm not saying people are wrong to take advantage of that system," he conceded. "But a system designed in that way is not working properly."

The gratitude that people would surely feel at being excused from any longer living this shadowy dependent life was already visible, he said, in the related field of welfare to work, the centrepiece of the announced part of the Government's programme. This involves an element of compulsion, but is already showing its value.

"There is a slight tendency in the middle class," the Prime Minister said — I sensed another subtextual Guardian rebuke here, though the paper has wholly supported welfare-to-work — "to think that a lot of these young people will resent the programme. But the evidence is that they're enthusiastic about it. They're going to work for decent employers, who get a subsidy to give them some training. For the first time in their lives, they're turning up and getting a wage."

It was the same story with lone parents. He didn't claim it was any big deal, but noted the briefing he had been given for his Midlands visit, which showed him that of the 500 interviewed for the pilot scheme in Halesowen, 420 signed up and more than 200 were already at work. "Every time you give people the chance," he said, "you'll find a lot of them will take it."

If you only get the terms and conditions right, in other words, the better side of people will come out. Large numbers of them become dependent only because the system is stacked that way. The Blair vision, of a society as decent and rational, as far from lead-swinging, as himself, carries him into the uplands of optimism.



from which he's determined the nay-sayers will not pull him down.

What, however, about the remainder? He didn't pretend that everyone was a potential GDP-contributor. "You've got real people for whom welfare is a lifeline, and you can't go and muck around with that. It has to be handled with immense care," he said. It's also true that, from VAT on fuel to the release of housing capital receipts, he can point to several things he's done that will help the poor.

Yet when I suggested that a reform which saved money from the non-needy should give more money to the really needy, he was cagey. They often needed services as much as money. "I count the National Health Service and the education system as part of the welfare state." That, he seemed to indicate, was where they money would go.

**Million more face poverty under Labour**

Gov. Services: Benefits Allowances: Gen. 5/1/98

HEATED as a plan to reduce disability benefits as the Tories' welfare code are reversed, says DAVID FURCH

**Disabled face benefit cuts**

Special Security Benefits

New revolt threatened as leaked document confirms scheme to switch cuts out of social security

But surely there's going to be a residue, perhaps 15 per cent of people, who cannot go to work, are desperately needy and are being badly let down? "Exactly. You need to help those people." With more money in their pocket

ets? "That may be the answer," he cautiously plumped. "There may be other things. Like giving them better services." But of course, he added rather thinly, "we want to do more for those who can't work or are severely disabled."

"This idea that we're going to start harming people... is ludicrous," says Tony Blair. But it is not only the disabled, protesting outside Downing Street, who read newspaper headlines and worry about the welfare system being reformed

PHOTOGRAPH: JOHN STILLWELL

he does believe all will be for the best. But he speaks for a system that must slowly cease to be a universal provider, and become essentially a safety net. The universal state pension is to be protected, but the role of state provision will inexorably diminish. He sees a history that cries out for modernising, all over the globe. The welfare state, he said, was created "to give the first parts of opportunity to people". This consisted of basic housing, basic healthcare, basic pension, unemployment insurance.

But that was 50 years ago, he said. "In a society and labour market that doesn't exist any more." I got the impression it now had nothing to do with progressive politics.

The Government's job now would be to supervise and not to pay, he implied. For example?

"For example, in relation to pensions. In time, people will provide more for themselves, but the system will be organised by government." The system must be "fair and sustainable for the long term," but would be driven by people "inevitably" making more provision for themselves.

This tendency could reach into many areas. He wanted to change the psychology of the country. To change, I suggested, people's expectations?

There followed the longest pause in our conversation. "Well," he said slowly. "Not in every sense. What are people's expectations? I think they are: 'When I really need welfare, will I get it?' People's expectations of the NHS are: 'If you're ill you can get cared for, and it doesn't matter if you don't have any money.'"

People's expectations, he said, were correct. "But I don't think that's the way the system works."

He went on: "If you were to talk to people and ask what they think the welfare state should do, they would say it should help people when they are needy."

At present they have a larger attitude than that, I replied. That's really a safety-net concept. Minimalist and getting more so. But

Blair believes this is the way the world, and that people can be encouraged to understand it. "Their concept of welfare is the relieving of poverty and the help of people in need."

The definition of these terms, of course, is now the question. Blair is unembarrassed to be starting a debate in the void. He's adopting the same strategy he did for the abolition of Labour's Clause Four. Then also, he was criticised for withholding his ideas about an alternative. "But I said no, the first thing to do is decide whether the present way we look at things is sensible." After he proved it wasn't, the next stages followed towards the promised land.

Welfare, he readily concedes, is far more sensitive than Clause Four. But he has the same neat programme in his head. First expose the status quo, then reassert the principles, then produce the details.

But this is where the problem of the great debate, and how it can intelligently be held, comes in. There is no void, he remarks, concerning the status quo. We can all see how bad this is. That should be the first topic for discussion, and is the only ground on which he is engaging at the moment. And as I indicated at the beginning, he had some difficulty making sense, perhaps even seeing the legitimacy of questions about the great shift over which he ultimately wants to preside.

"I get the impression that you don't think the system needs changing," he said rather sharply at the end. A baseless impression of my opinion, but a suggestive revelation of his own consummate certainty.

For this certainty is a fact. It always is with Tony Blair, a disconcerting truth to remember, and to set beside the ultra-reasonable manner, as well as, in the case of welfare, the apparent agnosticism, the openness to consultative opinion.

His last line, after a half-hour catalogue of caution, was in this category of the disconcerting. He couldn't start putting the details into the debate yet, he said. But he added, "I've got a very clear idea of the type of the system we should have in the end — yes." To my remark that his categorical certainty about the big picture was something I'd noticed in every talk we had had for the last four years, he laughed jovially, with only the faintest hint of denial.

**Blair's new tough line on single mothers**

UNEMPLOYED PARENTS WILL BE CALLED IN AND INTERVIEWED ABOUT THEIR JOB PROSPECTS

AT THE heart of Tony Blair's attitude to social security itself, I think, is something tougher than the benignity of a latter-day Candidate. That is a reasonable selling line, and there's no doubt

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THE GUARDIAN 17.1.48 P.5

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## Greeks march on US embassy

HUNDREDS of Greek Communist Party supporters marched on the US embassy in Athens yesterday to protest against remarks by Washington's new ambassador to Greece, Nicholas Burns. The protesters, waving red hammer-and-sickle flags, chanted "Out with the Americans" and "Down with capitalism". In a speech on Wednesday, Mr Burns praised his country for supporting government forces against the communists in the Greek civil war and for keeping Greece in the Western bloc. — *Reuters, Athens.*

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