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# Rethinking Welfare

A Radical Critique

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The basic justification for welfare outlined here is in the language of rights and rights cannot be evaluated by fiscal criteria. It may well be that expanding demands from below quickly break the boundaries of current fiscal 'realism'.

If, however, the existing system finds it 'unrealistic' to meet the needs of people to a meaningful life free of the poverty is it the rights or the system that must go?

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## **LINKING WELFARE TO RIGHTS**

The structure of welfare payments shapes society. Insisting, for example, that child support grants only be allocated to women via their husbands reinforces the traditional family.

How can welfare allocations under capitalism be made consistent with creating libertarian communism? Means testing should be opposed. It assumes income from wages is a fair measure of need, ignores the problems with the wage system, and makes money more important than rights. Allocation by need should be promoted instead. For example, a flat rate for pensions which should be calculated by individual circumstance.

It is often assumed welfare means grants, but there should be more emphasis on communal provision such as free hospitals, refunds on medical bills, free housing, rent controls and free electricity. This provides space for fostering self-management and solidarity.

The aim is to delink meeting needs from ability to pay and the wages system, and to place rights centre-stage, linking this to class struggle and redistribution.

## **WELFARE IMPOSED ON THE STATE**

Neo-liberal arguments have resonance with ordinary people who are subject to queues and sullen government staff. This can be dealt with by rejecting the empty choice between market and state in favour of a society harmonising freedom and equality.

To build a powerful working class movement requires building outside and against the state to supplant it with self-management. Regarding welfare, this means imposing welfare on the state, and independent monitoring by working class structures, with mandated and non-remunerative posts.

## WELFARE STRUGGLES FROM BELOW

All tactics must be subordinated to the goal of building a powerful, self-managed working class movement as part of a strategy for a better society. This means the struggle for more and better welfare is foremost about more popular mobilisation.

The heart of a movement for progressive social policy is a progressive popular movement, not technocratic policy processes or parliamentary lobbies. Demands should be formulated from below, in a participatory process that develops the power and consciousness of the working class. This approach identifies needs expressed from below, and formulates demands accordingly, generating more effective positions while strengthening the working class movement more broadly

The process through which demands are formulated is most important; indeed, more important than details of concrete proposals.

Welfare should not be funded through redistribution within the working class. The burden of funding must come from the ruling class, for only a class-based redistribution is just.

This is not to say that there should be a non-contributory welfare system. Just as a libertarian communist society would operate on the basis of “from each according to ability, to each according to need,” the idea of everyone contributing is a valid one.

Capitalism is a skewed system, though, so working class contributions should be at a flat, low rate, while the ruling class should face punitive and escalating charges.

Government has introduced various welfare measures to alleviate poverty. Cosatu [Congress of South African Trade Unions] has called rather for the introduction of a universal basic incomes grant. Lucien van der Walt argues that unions have been sidetracked by technocratic demands and that the demand for welfare should be linked to the struggle of the working class to reinvent society.

— Union policy on welfare has become centred on technical questions such as funding, targeting and delivery and has strayed from considering how these questions relate to labour movement strategy. In short, policy has replaced politics, and issues like welfare have become linked from the project of building the working class movement as a popular force to change society.

## WELFARE AS CAPITALIST SYMPTOM

Technical questions should be secondary to strategy. The need for welfare is a symptom of capitalist society, based on production for profit, exploitation at work, and distribution through the market system. The state and state corporations protect this system.

In such a system there is no link between needs and income: goods are sold, but cash income is not tied to needs. The neo-liberal Ludwig von Mises found no distinction between production for profit and for need because “in the capitalistic system profits can only be obtained if production meets a comparatively urgent demand.”<sup>1</sup>

This is untrue, for investment is directed to profitable areas, and given that 10% of the population gets 70% of the income, production for profit inevitably discriminates against the working class.

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<sup>1</sup> Ludwig von Mises, “The organisation of production under socialism”. ‘*Socialism*’ Indianapolis, Liberty Classics, p124

Neither investment nor work is democratic, for decisions and ownership are centralised in the hands of private employers and state officials. Work under capitalism is authoritarian and uncreative, whilst a third of the economically active population is unemployed. People are unemployed because they are working class and therefore lack resources to live outside wage labour. 'Class,' 'power,' and 'state' are three inseparable terms, one of which presupposes the other two, and in Bakunin's words they boil down to this: "the political subjection and economic exploitation of the masses."<sup>2</sup>

How, then, can we move towards a world "where men will be able to work out their dreams after having acquitted themselves of their duty to society?"<sup>3</sup> And where does welfare fit in?

In the capitalist system working class people need as much welfare as possible. But this is only a stopgap. Unless production for profit is replaced by production for need, and centralised power is replaced by democratisation, the problems will continue.

Only a powerful, self-managed working class movement can change the situation, for only the working class has an interest in changing society. Only such a movement can replace capitalism and the state with self-management at work and the community and create a libertarian communist or anarchist order and a democratically planned economy.

At the heart of that movement must be the unions.

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<sup>2</sup> "Bakunin, [1872], 1971, "Letter to *La Liberté*," in Sam Dolgoff, editor, 1971, '*Bakunin on Anarchy*', George Allen and Unwin, London, p. 280, emphasis in original

<sup>3</sup> Peter Kropotkin, [1892]1990, '*The Conquest of Bread*', Elephant Editions, London, p. 101

## WELFARE AS TACTIC

Struggles for welfare are therefore only tactics in a broader strategy to change society, and that strategy should centre on building a working class movement capable of reinventing the world.

What principles frame this strategy? First, welfare is not a charity, but a right, an expression of the frustration of human needs in capitalism. The demand for welfare is an indictment of this society.

Second, struggles for reforms are the lifeblood of a popular movement. A movement that cannot fight around immediate issues, cannot fight to change society more fundamentally. Furthermore, immediate struggles build working class confidence, power and organisation.

Third, the basic lever to change society is not policy innovation, but the mobilised power of the working class, and more welfare requires, accordingly, more struggle.

Fourth, democracy and self-management and political education are vital to labour. A movement based on the delegation of decisions to leaders, bureaucrats, a political party, or even union policy experts, cannot change society. It can only change the elites in charge. Self-managed methods alone lay the basis for a democratic future.

Finally, internationalism is central. The working class is multiracial and multinational, and to divide its struggles is to invite defeat. The local ruling class is interlinked with ruling classes abroad, and has never been 'patriotic' to its 'own' workers. Policies like "Proudly South African" cripple the working class ideologically, opening the gates of xenophobia and "Yellow Peril" ideas.