

When the cap really doesn't fit: populist policymaking and the benefit cap

[Ruth Patrick](#), [Rosalie Warnock](#), [Aaron Reeves](#), [Kitty Stewart](#), [Kate Andersen](#) and [Mary Reader](#) discuss why the benefit cap was introduced in the first place, its symbolic status within anti-welfare thinking, and the very real harm the policy is causing.

The memoirs of former politicians and their associates always try to make headlines with [scandalous anecdotes](#) or crucial but little known events in the hope that this will help shift copies. This is not always easy, [as David Cameron found](#) out. But it was always going to be a more difficult task for [Lord David Freud](#), a relatively unknown Conservative Minister in the Department for Work and Pensions, who crossed benches after losing faith in New Labour.

Freud has been on the welfare reform scene for many years. A former banker, he caused controversy when [he dismissed the rise in demand for food banks](#) as being due to them being a 'free good' (with thus potentially endless demand). As the author of the influential 2007 [Freud Report](#), he is also one of the key architects of the UK's shift to a work-first, outcomes-based approach to welfare reform, as well as being a key proponent of processes of benefit simplification – the forerunner to Universal Credit.

However, [in his latest intervention](#), he has set out what many of us have long suspected: that the introduction of the benefit cap was always about politics and populism and never about policy or cost savings. Freud reports in his memoirs that George Osborne's chief of staff Rupert Harrison [told him in 2010](#) that: 'I know it doesn't make much in the way of savings but when we tested the policy it polled off the charts. We've never had such a popular policy'.

This admission is startling in that it is both shocking and resolutely unsurprising. The 2013 introduction of a cap on the total income families could receive through social security was a policy decision that was unprecedented in the lengths it went to to sever the relationship between needs and entitlement in our social security system. It shored up [flimsy](#) but persistent distinctions between 'welfare dependents' and 'hard working families'. Originally £26,000 per year (or £18,200 for single adults with no children), in 2016 the cap was [further lowered](#) to £23,000 for families in London and £20,000 for families outside London (and lower still for single adults with no children). As of February 2021, [83% of households subject to the benefit cap included children](#).

The policy consistently polls well in [public attitude surveys](#) and became almost emblematic of the Conservative Government's approach to welfare reform – legitimising and normalising what [has been described](#) as a 'machine of anti-welfare commonsense'. The benefit cap did a lot of heavy lifting here: it embedded and extended this new anti-welfare commonsense and crowded out space for oppositional voices. Such was the popularity of the policy that, for many years, the Labour Party did not have a consistent policy position on it. Even under Jeremy Corbyn's supposedly radical leadership, there was [internal reluctance to speak out and against the cap](#).

That the benefit cap is a popular and populist policy itself speaks to the distance British society has travelled over the last 40 years. Social security is today routinely regarded as part of the problem rather than as a force for social good. [Back in the 1980s](#), Thatcher's Government considered introducing a similar cap. They pulled back from implementing it, however, as they feared it would be politically and electorally impossible. Not so now.

The fact that the Cameron Government introduced a policy considered too radical by Thatcherites not to save money or to support transitions into paid-employment (the professed goals of the policy) but to embed and extend their electoral popularity, should disturb us all. But it becomes even more shocking when we actually look at the impacts of the policy. This is the focus of our ongoing large-scale research programme, '[Benefits Changes and Larger Families](#)', funded by the [Nuffield Foundation](#).

Our research demonstrates the harms that the benefit cap is causing larger families in particular (which we class as those with three or more children). Through [quantitative analysis](#), we show the negative mental health impacts it causes. This is reinforced by evidence from our qualitative research, which walks alongside families as they live with and experience the benefit cap. Noor, a father of three, told us the impact the cap had on his mental health:

Obviously both my wife and I are stressed by the situation, our mental health is all over the place...we are struggling, we have been struggling.

Our emerging qualitative findings also highlight just how often families are going without basic essentials because of the cap. Children unable to get new shoes when their feet grow. Mothers skipping meals so they can feed their children. And whole families going year after year without a trip to the seaside or – even less likely – a holiday. As Lucy, who is subject to the cap puts it:

I would like to like once [in] a while like to, you know, treat my children. Of course I always...I have clothes for them anyway cos I normally, if they're running low I buy clothes for them or... I used to always like borrowing money but now I don't, because I know that if I keep asking my mum I know I have to pay her back in the future. So I try and...put myself into a budget, like if I know that my son or my daughter needs shoes I will say, OK, I need to think of shoes and clothes for them before I think of food, because I always think of their care.

Freud himself now opposes the policy. He used a recent statement in the House of Lords to call on the current chancellor, Rishi Sunak, to get: '[rid of the excrescences such as the two-child policy and the benefit cap](#)'.

Our research programme is not alone in finding that the benefit cap causes real and significant harm (see, for example [here](#) and [here](#)). The fact that, as David Freud has now argued, this policy is the result of politicking, rather than efforts to save money or promote labour market outcomes, may make it even harder to challenge: evidence of its ineffectiveness might not be enough to change minds. Even if it is hard to shift the political dial on the benefit cap, we must still try to influence policymaking as well as wider public and popular narratives about social security. This should be part of a wider effort to move to a place where a policy that caps families' incomes and pushes many deeper into poverty is no longer a vote winner, but rather seen for what it really is: a divisive attack on the very fabric of a just and compassionate society.

Note: The project on which the above draws has been funded by the [Nuffield Foundation](#), but the views expressed are those of the authors and not necessarily the Foundation.

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