

The welfare budget is out of control. But many claimants are there through no fault of their own and slashing payments won't address the poverty problem or help out-of-their-depth politicians either

Adam Tugwell | 11 March 2025



The coming weeks are likely to be a bleak time, not only for those on benefits who receive payments that could be cut. But also for growing numbers of the low paid, whose employment is likely to be at risk because of national insurance changes and yes – the April rise in the [National Minimum Wage](#).

Appropriate credit should of course be given where it is due and the Labour Government certainly do appear to be digging themselves further and further into a hole with every policy decision that they make.

However, nothing is as straightforward as it looks in politics. And [as I wrote in a blog in early December](#) when I asked if Labour has been set up as ‘custodians of the collapse’, there is much to suggest that when it comes to the quality of politicians that we currently have in the UK today, the group filling the government benches are the unfortunate ones who have been left to carry the can.

I say this, as the collapse that there is very good reason to believe the collapse that is now underway, could, in theory have begun at any time, since the decision to bail out the banks during [the Great Financial Crisis](#) of 2007/08.

The chances that a collapse would arrive sooner and more severely has grown significantly as a result of the Government response to the Covid Pandemic, the War in

Ukraine, and basically everything that the politicians in power have been printing money to cover the cost of, ever since.

A collapse is and has always been inevitable. Because the financial, economic or monetary system that we have had since 1971 is to all intents and purposes little more than a massive game or perhaps what we might call man's greatest confidence trick.

The financial, monetary and economic system that we currently have was put together, successfully implemented (adopted) and pushed so that those 'in the tent' would become rich beyond their wildest dreams.

Meanwhile, control of the greater population has slowly but surely been passed to the same set of interests, using all manner of manipulation and incentives that mean people have effectively been surrendering their freedom – usually through financial means.

Hard as the reality may be to swallow, many people have been unaware of what has been happening to them; how their approach to life, relationships and everything has changed and in real terms, what a small set of very selfish and self-serving interests have so far successfully done to everyone else, just so that they could become very rich.

The big flaw in 'the game' and with it the source of the greatest risk – *which is the loss of control when that flaw inevitably becomes too obvious to hide*, is the only way that money can be created or printed in the increasing amounts that it has been and still is, is for the value of the money that normal people possess or are able to earn to lessen much quicker than wage rises or the value of property they have the ability to own to rise and offset it. *Let alone go beyond in the wealth creating sense that any does who is part of the clique who 'rigged the game'.*

By now, you are probably wondering what any of this has to do with welfare, benefits or the National Minimum Wage.

The National Minimum Wage, which was conveniently brought into being by the Blairite Labour Government on 1 April 1999, was of course sold to us all as a tool to ensure that everyone received a fair wage for every hour worked.

And as far as that story was sold, the people who the establishment needed to believe what was being suggested, almost certainly did and have done ever since, not least of all as the National Minimum Wage has increasingly become known as the National Living Wage too.

The problem is that even at the rate of £12.21 which will be the hourly rate of the National Minimum Wage from this coming April, it is and will continue to be nowhere near enough for any single person to live independently, self-sufficiently and without the

help of benefits, charity (like Foodbanks), by going into debt or raiding savings – or falling back on them all.

The National Minimum Wage is certainly nowhere near enough for anyone to live on!

Done properly and with the intentions that should have underpinned its implementation, the National Minimum Wage *could* have performed and impacted lives very differently to the way that it has.

However, what it has actually done has been to serve as a wage suppressant. Keeping the wage ceiling deliberately low for significant numbers of people within a system that has been funnelling money in one direction only.

Let's be clear. Not having the guarantee of taking home enough to 'pay their own way' makes it near impossible for people to feel in control of their own lives.

However, the legal requirement to pay the National Minimum Wage itself has the perverse consequence of ensuring that small businesses can no longer succeed. Because the margins that big global businesses are working to have made it impossible to keep paying the same number of people they could previously afford to.

Meanwhile, those big businesses themselves could actually afford to pay what it costs their lowest paid employees to live, but too often don't. *Instead choosing to move everything that they possibly can to countries where they can pay exactly what they want to, whilst everything we need is quickly becoming a luxury that more of us can no longer afford.*

Guaranteeing that everyone on the minimum wage earns enough to live without help would solve problems that many simply wouldn't believe

In my recent Paper ['Is Poverty Invisible to those who don't Experience it'](#), I talked about the experience of being on benefits today. What that actually means to those unfortunate enough to find themselves claiming them, and what it is like for normal, decent people to step through a door where only the most resilient could ever maintain the levels of confidence and self-surety needed to navigate a system where anyone who cannot fend for themselves financially is treated like a pariah, at each and every turn.

To put it bluntly, most people who find themselves within the benefits system today, without a career background or experience that makes them employable in a way that almost certainly guarantees they would never be there anyway, are damned. They are unable to escape, because the most basic of jobs that are readily available do not offer an income level that is genuinely realistic enough to provide anyone with the kind of independence and freedom that only a genuine wage that links directly to what it costs to live can afford them.

For those who need it to be spelled out; *the number of people who are on benefits because they want to be there or because they cannot function in any way without benefits is very small and much smaller than any of the statistical evidence that is available would suggest.*

However, working a ridiculous number of hours per week, to only then have to rely upon benefit top ups and the bewildering experience that goes with it; to struggle enough that you have to 'qualify' for an emergency food package from a Foodbank or to have to go into debt or use money that was put aside for living rather than to simply stay alive, holds no great incentive for anyone. Especially when the work itself usually attracts scorn and ridicule from others who see themselves as better and look down on those they see as beneath them or without the same value.

Solving the benefits problem should be as simple as government telling every employer that they have to pay everyone whatever it costs to live.

Yet we have long since passed the time when this would have been possible without collapsing the economy. Even if it would only have made a difference for a short period of time.

People are on benefits and living with less than what anyone needs to live, in this day and age, because for many of them it really is the lesser of the evils. Even though the evils that they are being subjected to still hurt and reach very deeply indeed.

The Government 'view'

At the other end of the problem, the growing welfare bill is fast approaching a cost that simple mathematics has long since told us that the UK can no longer afford.

However, politicians have continued to do 'find' or create the money to keep covering the welfare bill (*even though they talk up the mean actions that they do take*), as the political fall out from exposing the truth, that **there is a significant and growing underclass of people whose incomes are nowhere near what it actually costs to live** and that businesses of ALL sizes are effectively having wages subsidised by the state, *whilst vested interests are pretty much taking every bit of available wealth from everyone*, would mean a confrontation and battle with the system itself that only a very rare breed of politician would be big enough to tackle.

The cost for everyone is the society and culture we were once proud of now crumbling around us, having its destruction accelerated by those in power who have become so desperate that they are turning everything to ash, just so that they can be seen to remain in control.

The reality is that politicians no longer have enough legitimate or morally workable options available to them to justify creating enough money out of thin air to save them

now or to ensure their re-election, when the UK has for a long time already been technically broke.

What so few can or are prepared to either accept or to see, is that **money doesn't work for people in the system that we have** and never did. Even though generations have regularly been conditioned to believe that getting wealthy or having everything would come quickly to all of us on the cheap. *Just as long as we all went along with the lie.*

The UK is now caught within a whirlwind of parallel death spirals. Where the poor and those with less can only become even poorer. Whilst the ability of government to do anything meaningful has been hollowed out.

The situation leaves the entire political class on the edge of a precipice where government is about to become unable to do anything. And all of this has been inflicted upon us so that a few could become wealthy and obtain power, always knowing that they would have to achieve oppressive levels of control over society, before anyone who would be brave enough to speak out and be believed by enough people had worked it all out.

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