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Britain

Winter Fuel Allowance: ecosocialism versus ageism, austerity and poverty

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On 10 September 2024 348 MPs (overwhelmingly Labour MPs) voted through regulations to cut the winter fuel allowance for all pensioners except those in receipt of means-tested benefits such as pension credit. In this article Liz Lawrence explores what this suggests for the direction of the Labour government and what remains of the Labour Left. She also discusses pensioners' poverty and resistance and how ecosocialists respond.

Austerity under Labour

Even before the general election, the Labour Party leadership positioned themselves as a party of fiscal responsibility, which was business-friendly. This theme has continued post-election with a focus on cutting public debt.

They are fond of rhetorically talking about the broadest shoulders bearing the heaviest load when it comes to taxation and austerity. This is not what has happened with the winter fuel allowance. The removal of the allowance hits those pensioners entitled to pension credit but don't claim or those just above the threshold of entitlement for the benefit. Whoever has the broadest shoulders, it is not the single pensioner living on basic state pension of £169.50 per week.

Labour Party leaders, and their supporters in the Parliamentary Labour Party, have doubled down on the message about the need for economic stability. They keep dropping hints about more unpopular measures to come. They talk about "hard choices" but it is the poorest for whom these choices are hard, for instance whether to heat the home, eat enough food or maintain a decent broadband connection to keep in touch with family and friends. This "hard choice" for the Labour Government follows on their previous "hard choice" to maintain the two-child cap on child benefit.

The decision by the Labour Government to push through this unpopular cut to the winter fuel allowance is a clear signal of which class they support and of their resolution to shut down any left opposition within Parliament or the Labour Party to their austerity policies. They have pushed ahead with this policy despite warnings it could lead to an increased death rate among pensioners on account of cold and cold-related illness. There is plenty of medical evidence that exposure to cold increases death rates, and risk of various diseases such as heart attacks and strokes and makes conditions such as arthritis worse. What will the response of the Labour Government be when the death rate among pensioners increases?

Resistance

The cut to the winter fuel allowance was announced at the end of July 2024. On 3-4 September the National Pensioners Convention (NPC) which works to represent older workers in retirement, met in Blackpool for its Annual Conference. Founded in 1979, one of its first leaders was been former General Secretary of the Transport and General Workers Union Jack Jones. Many at the NPC conference have been active in trade unions all their working lives and still have active links with unions. Some had also campaigned for a Labour victory in the last general election and were outraged by this cut, which was not in the Labour Party manifesto.

The NPC was clearly up for a fight over the cut. It is working actively with other lobby groups, such as Age UK and other groups representing older people. Age UK has launched a petition to save the winter fuel allowance. At the final session of the conference, General Secretary of the NPC, Jan Shortt, urged everyone to write to or see their MPs to ask them to vote against the winter fuel allowance regulations in Parliament.

Other voices in the labour movement, including some trade union leaders, have put the case for more taxes on the very rich or ensuring private corporations pay the taxes they should pay.

Resistance and criticism of the proposal to means-test the winter fuel allowance was expressed in the form of petitions, letters to MPs, and an Early Day Motion calling for reconsideration of the decision, which has been signed by 48 MPs. This EDM was tabled by Neil Duncan-Jordan, recently-elected Labour MP for Poole, who used to work in research and policy for the National Pensioners Convention.

The NPC, together with the Unite the union campaign to Defend the Winter Fuel Payment is calling a mass lobby of Parliament over the issue on October 7

Embarrassment

In terms of parliamentary manoeuvres the official opposition party, the Tories, tabled a motion calling for repeal of the cut to the winter fuel payment. In supporting speeches, many Conservative MPs accused the Labour Party of being controlled by the trade unions (an unlikely prospect) and of taking money from pensioners to meet trade union wage demands and settle industrial disputes. This was a crude attempt to divide workers in retirement from those still in employment.

Some Labour MPs may have some sense of embarrassment about this and may have stayed away from Parliament or abstained, but the majority did not. Some new Labour MPs gave nauseatingly “on message” speeches in which they supported the need for financial stability achieved by cutting the incomes of the poorest in society.

MPs are on a salary of £91,346 plus expenses. Those who do not live in London or a grace and favour property can claim expenses to cover utility bills, including heating, for the cost of running a second home. This MPs’ “heating” allowance was not considered as an area for cuts to help balance the government budget.

It appears around 50 Labour MPs didn’t vote on the motion to reverse the cut to the winter fuel allowance. It seems impossible to know which of these ‘had permission’ from the whips to stay away for what were considered legitimate reasons and which did this in a half measure of defiance. It’s a shame they did not find the courage to follow John Trickett – the only Labour MP who currently holds the whip who voted against.

Older people’s liberation

Speakers at the NPC conference emphasised the importance of seeing older people as contributors to society, not just an expense. The Labour Government when it is not busy being friendly to businesses, claims to be focusing on “working people”. That it is defining work in a pro-capitalist sense as meaning only paid work, and that this thinking was behind the decision to axe the winter fuel allowance for the majority of pensioners.

Retired people do much unpaid work: providing free childcare to working parents; providing free social care to other old and disabled people; voluntary work, including running and staffing many civil society organisations and charities. This non-recognition of the social contribution of unwaged work often incorporates prejudices which are ageist, sexist and disabilist. Many groups in society perform work which contributes to society but which is not paid. This does not mean these groups are inactive. Older people can be active citizens and active members of labour and socialist movements.

Many participants at the NPC Conference are people who have been and are active in the powerful social movements of the twentieth Century including the Civil Rights Movement, the Women's Liberation Movement, the Gay Liberation Movement and the Disability Peoples Movement. They know how social movements and trade unions can transform people's lives. The Labour Government is underestimating retired people if they think we will all just sit at home quietly and accept cuts to living standards.

Poverty, ageing, gender, disability, race and housing

The winter fuel allowance was first introduced by a Labour Government in 1997. Like some other benefits paid to pensioners it reflects the fact that UK state pensions are relatively low as a percentage of average earnings compared to many OECD countries. The usual amount paid for the winter fuel allowance was £200 for pensioners under 80 and £300 for those who were 80 or older.

Poverty is experienced by pensioners who have only the state pension as a source of income and those pensioners who have only small occupational pensions, which place them above the level of eligibility for means-tested benefits such as pension credit. The winter fuel allowance was a benefit paid to everyone in receipt of the state pension, without any means-testing.

Around 1.4 million pensioners in the UK are in receipt of pension credit. There are around 880,000 pensioners who are eligible but do not claim. This indicates the problems with means-tested benefits. Some who are eligible do not claim because they are unaware of their entitlement to the benefit, because they find the application process too difficult or because they feel there is a stigma attached to claiming.

In the parliamentary debate, Neil Duncan-Jordan MP suggested the take up rate for means-tested benefits is usually around 67% and emphasised the case for universal benefits. Universal benefits have a much higher take-up rate and do not stigmatise the poor or put people through difficult application processes. Means-testing also means that the poor lose financial privacy in a way the recipients of universal benefits do not.

So, the cut to the winter fuel allowance will hit hard those pensioners who are eligible for pension credit but do not claim. Government agencies and charities will make efforts to improve the take up rate for pension credit, which will then entitle people to the winter fuel allowance. It is unlikely that all pensioners who are eligible but have not claimed will be reached and helped to claim pension credit before cold winter weather starts.

There are also many pensioners who have income just above the level for entitlement to pension credit. These pensioners will lose the winter fuel allowance. Some of these have been appearing on television or posting on social media explaining how they are just a few £ above the entitlement level and how they will be impacted

Poverty in old age particularly hits women, for reasons including interrupted working lives, lower pay leading to lower

occupational pensions, and employment in areas where there is no occupational pension provision. The gendered nature of poverty is often ignored. 20% of male pensioners and 33% of female pensioners have only the state pension, but no additional occupational pension.

Disabled people are also more likely to experience poverty in old age. Some may have additional heating and energy needs, for instance to operate specialist equipment, such as dialysis machines. Some may need special diets and greater warmth to manage impairments or health conditions. Moreover, employment discrimination against disabled people and earlier retirement (sometimes not voluntary) may have reduced opportunities to earn a decent occupational pension.

Given that both the state pension and occupational pension payments are usually tied to years of contribution in the scheme, those pensioners who have worked outside the UK for several years or have migrated to the UK during their working lives, are likely to have smaller pensions and be at more risk of poverty in old age. This disproportionately affects Black communities. Racial discrimination in employment also can reduce lifetime earnings and hence occupational pension income in old age.

Another factor making for inequality and poverty in old age is your housing situation. Those pensioners living in the privately rented sector may be less able to insulate or control housing costs. The need to find money for rent out of a small pension exacerbates poverty in old age.

Thus, the decision of the Labour Government to cut the winter fuel allowance for the majority of pensioners, besides being a threat to life and health for the poorest pensioners, will increase the impact of many forms of social inequality among the elderly.

The ecosocialist response

What attitude should ecosocialists take to ageism, the ageing process and retirement? There is the need to oppose ageism, just like any other unfairly discriminatory process. It is also important to recognise how ageism interacts with other forms of oppression.

In terms of energy policy, ecosocialists should support the provision of domestic heating and energy as a universal basic service. This includes bringing energy companies back into public ownership and running them in ways which do not harm the environment and meet human needs, including the needs of elderly and disabled people. The restoration of public utilities would enable governments to control energy prices.

Housing needs to be built or retrofitted to be carbon-neutral and to meet the needs of inhabitants, including older people who may have reduced mobility and may have higher heating needs if they spend more time at home than those who go out to work.

In respect of income maintenance, the first essential demand should be that the state pension is high enough to live on comfortably, without the need to rely on means-tested benefits or an occupational pension. If all pensioners had an adequate income in the first place there would be much less need for additional sources of income, such as a winter fuel allowance. Meanwhile, however, such allowances must be defended because they reduce poverty in old age.

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