

**What Is Austerity? A Guide to the U.K.'s Budget Squeeze**

By Benjamin Mueller  
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People receiving food donations in Morecambe, England. The use of food banks almost doubled between 2013 and 2017. Laura Boushnak for The New York Times



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LONDON — The New York Times has been reporting for the last year on how nearly a decade of government austerity has refashioned British society, slashing away at budgets for [policing](#), housing and [welfare](#). It has also drawn a backlash in some quarters and, as [Ellen Barry writes](#) in the latest article in the series, reshaped the politics of many young people.

Prime Minister Theresa May [said last fall](#) that the era of austerity is over. That is a matter of debate. And Britain's looming departure from the European Union — Brexit, as it is known — could depress growth for years to come, meaning that budget pressures may continue far into the future. Here is a look back at the roots of austerity and what we know about its effects.

### What is austerity?

It's a campaign of budget cutting that Britain's Conservative-led government began in 2010 in the aftermath of the global financial panic of 2008, the most crippling economic downturn since the Great Depression.

The National Health Service and education were ostensibly protected, but government spending was trimmed across the rest of society: Spending was cut for the police, road maintenance, libraries, courts, prisons and housing assistance for seniors. Local governments suffered a plunge in revenue.

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As [Peter Goodman wrote last year](#), austerity has made British society “less like the rest of Western Europe, with its generous social safety nets and egalitarian ethos, and more like the United States, where millions lack health care and job loss can set off a precipitous plunge in fortunes.”

### Why did Britain adopt it?

The austerity measures were imposed to eliminate budget deficits that ballooned to unsustainable levels in the aftermath of the financial crisis.

**But Conservative Party leaders also sold budget cuts as a virtue, ushering in what they called the Big Society. Diminish the role of a bloated government bureaucracy, they contended, and grass-roots organizations, charities and private companies would step to the fore, reviving communities and delivering public services more efficiently.**

“The truth is that the country was living beyond its means,” the then-chancellor of the Exchequer, George Osborne, declared in outlining his budget to Parliament in 2010. “Today, we have paid the debts of a failed past, and laid the foundations for a more prosperous future.”

How has it affected British society?

A [United Nations expert said late last year](#) that efforts by the Conservative government to pare state spending were “entrenching high levels of poverty and inflicting unnecessary misery in one of the richest countries in the world.”

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Since 2010, the Conservative government has announced more than 30 billion pounds, or nearly \$40 billion, in cuts to welfare payments, housing subsidies and social services, and the British leadership is in “a state of denial” about the devastation its policies have wrought, the United Nations said.

The British government disputed those findings, but there are many signs that social well-being declined under austerity. The use of food banks [almost doubled](#) between 2013 and 2017. Families that receive benefits are now [thousands of dollars worse off every year](#).

What about children?

Before the budget squeeze, governments led by both the Conservative and Labour parties achieved progress on childhood poverty. The number of minors living in “relative poverty” [fell by roughly 800,000](#), to 3.5 million, between 1998 and 2012.

But the trend began to reverse in 2012, the year Parliament passed the Welfare Reform Act, a central plank of austerity: Since then, about 600,000 children have fallen back into “relative poverty.” During the same period, the number of children requiring food handouts from the Trussell Trust, the country’s largest network of food banks, has [more than tripled](#).

It is not just the jobless and their families who are suffering. Roughly two-thirds of poor children have at least one parent who works, the Institute for Fiscal Studies has said.

The police at the scene of a stabbing in Birmingham last year. Police staffing across England and Wales has fallen by about 20,000 officers. Credit Andrew Testa for The New York Times

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[Is austerity connected to rising crime rates?](#)

Murders and robberies, while [not near American crime rates](#), have [surged to their highest levels in a decade in England and Wales](#). The reasons are not entirely clear. Many police leaders have blamed cutbacks to police forces, and it is true that police staffing across England and Wales has fallen by about 20,000 officers.

But other analysts said rising crime may be a knock-on effect of [austerity cuts to youth and social services](#), as well as rising social inequality and poverty.

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That has forced the police to shoulder responsibility for a number of social pathologies that used to be handled by agencies that have been shrunken or eliminated altogether under austerity — adding to the burden on already stretched police forces.

## Is a new benefits system causing food shortages?

The Trussell Trust, a charity, did find that the [use of food banks picked up](#) much more in areas where the new system, called universal credit, was in place than in areas where it wasn't.

Announced in 2010, [the universal credit system](#) merged six separate benefits into a single payment, supposedly to simplify the claims process and to reduce benefits gradually as people earned more from work.

But its introduction, by the government's own admission, was mangled. The system forced people to wait five weeks for their first payment, a painfully long delay that threw many families into debt.

The system was supposed to be fully operational two years ago, but the deadline has been extended to the end of 2023. The opposition Labour Party has called for the rollout to be stopped altogether.

## So is austerity really ending?

"People need to know that the austerity is over and that their hard work has paid off," Mrs. May said last October, though she offered few details about how quickly public service and welfare budgets would grow.

To be charitable, she was probably assuming that Britain would leave the European Union in an orderly fashion that would largely protect the economy from harsh shocks. Now, that does not seem as certain.

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In almost any case, however, Brexit is likely to put a damper on economic growth, cutting tax revenues. That would seem to promise tighter budgets and additional problems for the poor, especially for young people, because living costs are likely to rise and aid money from Brussels for deprived areas will dry up.

And the Institute for Fiscal Studies has said the [government would have to spend](#) at least \$16 billion above current projections to truly end austerity. And even that level of outlay, the group's director told the BBC, might hardly be noticed.

"We've had 40 billion pounds of cuts to department spending and cuts of 30 percent and 40 percent to some budget items," the equivalent of more than \$50 billion, the director, Paul Johnson, said. Even if the chancellor were to stop cutting, he added, "it's still not going to feel great in a lot of areas."