

Social safety net? Not with Rishi Sunak in charge

Published: January 12, 2026, 8:51 pm

Rishi Sunak has spoken. And if much of the media is to be believed then we should all be grateful.

I do not agree. What Sunak has suggested for the self-employed is not very dissimilar from what I proposed, subject to a rather curious wage cap which seems unfair: if someone has no income now then they have no income, and why they should be excluded from support is hard to work out.

Details of the coronavirus job retention scheme have also been announced. Once more the anomalies or as apparent as the support. Why, for example, someone who genuinely started work with a company on 1st March should be penalised is very hard to work out.

But, the much more important issue in both cases is the fact that there is an implicit assumption, also inherent in Universal Credit, that people without work do not need immediate support because they will all, inevitably, have resources to fall back on. For some this is true. For very large numbers it is completely untrue.

Remarkably, it seems as if the government is unaware of this fact. For example, it would seem that they think all the self-employed have savings or available lines of credit available to provide them with £7,500 of income to cover a three month period before the government might pay them when I am well aware that for a very great many that is completely untrue.

The result is that just when it is most needed it is now readily apparent that the social safety net in this country is remarkably weak. The test of it is a simple one: it is whether, or not, people in real need get support. As the late Rev Paul Nicholson demonstrated time and again, this was not true for many before this crisis began. What is now apparent is that the government has no intention of correcting this for a great many people. Whether they are just ignorant of need, or are simply indifferent, or just still have an austerity mindset that thinks they must be mean when the economy is crashing all around them, this is indication of incompetence^{1/4}.

There are those who think that Sunak has proved himself to be Prime Minister in waiting as a result of his performances in the last couple of weeks. I think it is apparent that I do not share that view. So far just 17,000 businesses have been granted a tax payment deferrals. 30,000 businesses have applied for loans, but there is no data on how many have been given, and I suspect that it is very many fewer. No employer, let alone an employee, will see any benefit from the job retention scheme until the end of April, at the earliest. And the self-employed will need to wait until June. Meanwhile, in the real world people will still have to make payment of many of their fixed obligations, almost none of which have been waived by statute. And give it only a week or two and increasing numbers of people will find it more and more difficult to make payment for basic necessities, like food.

Sunak should enjoy his moment of glory. No Chancellor ever rides higher than they do on the day after a policy announcement. Thereafter, at least during the last decade, things have always begun to unravel. I very strongly suspect that this will be the case for Sunak. When a collective appreciation that the government is really not supplying the support that people require to keep them and their families fed and in their homes emerges sometime soon the backlash is going to be fast, and furious.

And, sometime soon, the announcements are not going to be believed. We remain on the Italian death trajectory from coronavirus. There is no doubt that the number of people getting this disease is growing, rapidly, even if the true figures are not reported. As I can personally report, it is not a fun experience. Add financial stress to that situation and the chance that social breakdown might occur is high.

The day will come when Sunak will greatly regret his failure to have made at least some payments on account to those who are now dependent upon his support schemes. The cost of any errors that might have arisen would have been small compared to those that might emerge.

This crisis has a long time to run as yet.