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# Social Security For All

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The renewal of the welfare state (briefing)

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## **The aim of this briefing:**

To start a conversation amongst groups and individuals which allows us to respond in a strategic way to the systematic dismantling of our welfare state.

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The briefing contains the following sections. You can click the links below to take you straight to the section.

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## **How it came about:**

This briefing started with conversations in and around Compass about alternative visions of social security. We initially called a 'summit' of interested parties of groups, organisations, charities and individuals who are seeking to defend a comprehensive social security system. This was in response to the speech by David Cameron in the summer of 2012 which in effect signalled the end of the welfare state if the Tories win a majority at the next election.

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**The conversations at this summit have been followed up and developed in various spaces and have created the framework for thinking about how we respond to this threat.**

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# Britain stands at a crossroads.

## What kind of society do we want to live in?

## What sort of nation do we want to be?

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### **The Context:**

Britain stands at a crossroads. What kind of society do we want to live in? What sort of nation do we want to be? One which demonises people who need extra support while those at the top continue to enjoy excessive privilege and growing wealth? Or one in which we express our solidarity with those who have fallen on hard times (which could be any of us tomorrow) or never enjoyed good times, through a social security system that protects us all over the course of our lives?

The political battle rages. Facts and evidence are the first casualty. But underneath the media war zone people's lives are being transformed. A life of recurring anxiety because of deep-rooted shifts in the nature of the economy and work has now become a feature for all too many households. But we are still a very wealthy nation – surely there has to be a better way to the welfare state than turning one insecure group in society against another?

This is the context and these are the fundamental questions we should be asking in the face of the mean-spirited and divisive Welfare Benefits Up-rating Bill, the latest salvo in the Conservative-led Government's war on social security and those reliant on it.

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**We should be clear about what we are facing; nothing less than the systematic attempt at dismantling our nation's welfare state.**

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With this in mind, defensive responses to individual policies, while necessary, are not enough. We need a joined up, systematic reframing of the debate.

### **Values and Principles**

In its simplest form we want to create a good society, one that is much more equal, sustainable and democratic than now. A key element of such a society is a decent social security system, which provides genuine social protection for all its members in times of need and which shares the pressure of challenges such as disability, job loss or raising children.

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**At a time when more and more of us feel insecure, we need a strong system of social protection.**

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# More and more people are witnessing that the Government's austerity plan is not only failing but also harming those people least able to stand even more financial pressure.

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## **Challenges and Opportunities:**

More and more people are witnessing that the Government's austerity plan is not only failing but also harming those people least able to stand even more financial pressure. As a result, attitudes are shifting. The reality that the wild risk taken by a few bankers has resulted in prolonged austerity for people who cannot afford it is sinking in. Austerity is not a blip but could easily become 'the new normal'.

People know that too often work doesn't pay enough to live on; that the fear of unemployment is a reality for many; that a generation of young people are finding work harder than ever to come by just when Britain looks more and more run down and in need of rebuilding. They read about tax avoidance on an industrial scale and tax cuts for the rich just when they notice the growth of food banks, and feel the cost of their own necessities such as food, rent and energy prices skyrocketing. Increasingly they know about the workfare schemes that hound people into a few hours of poverty pay and only line the pockets of the big companies that run them. They feel the squeeze as cuts hit public service and benefits – in particular for women. And how could they miss the effect that all this has on their families as the time and energy needed to love, care and nurture is sapped away.

People know that they, just like everyone else down their street, may be just one month's pay cheque away from needing the help now being denied to people like them.

People now change jobs 10-14 times in their life. So just as the economy gets more volatile and our jobs come and go more rapidly to the point that life feels like a constant high wire act – the safety net beneath all of us is being taken down.

We need a social security system that is fit for purpose because it builds on a set of values and insights into what it means to live in the second decade of the 21st century.

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**Now we are at a moment - a space to breathe - where we can radically rethink, rebuild and reclaim social security for all and not a residualised 'welfare' for a few.**

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# 60 per cent of the £3.7 billion cut as a result of the Welfare Benefit Uprating Bill will fall on in-work households (Resolution Foundation).

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## The Facts:

Slowly but surely, with the cuts come the social effects. These are some of the important facts:

Despite the crash we are still a very rich nation with GDP almost 70 times greater than in 1955 (<http://bit.ly/8DGmiM>). It is a political decision what we do with that wealth.

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The value of the basic safety net benefit received by a single person is now very low in absolute terms and relative to other developed countries. It is currently only 11 per cent of average earnings compared to 18 per cent in 1948 and 20 per cent in the late 1960s. And the replacement rate of unemployment benefits is low comparatively, meeting 53 per cent of former net earnings for a couple with two children on average earnings compared with an OECD average of 76 per cent. See <http://bit.ly/VphoN5> for more info.

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66 young people are chasing every retail job and 6.5 million people are looking for full time work and can't get it (Joseph Rowntree Foundation).

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Large numbers at the bottom of the labour market are constantly moving in and out of insecure jobs. See <http://bit.ly/ukMy6c> for more details.

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60 per cent of the £3.7 billion cut as a result of the Welfare Benefit Uprating Bill will fall on in-work households (Resolution Foundation).

Women typically use state services and benefits more than men for a wide range of reasons. Meaning they will suffer disproportionately – see <http://bit.ly/13HS1uX> for further details.

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Intergenerational worklessness and a 'dependency culture' are virtually non-existent. Intensive research by the Joseph Rowntree Foundation could find no such families in the UK. See <http://bit.ly/13HSeya>

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Department for Work and Pensions figures for 2011/2012 confirm that benefit fraud (and error) is a miniscule 0.7% of the entire social security budget.

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The Government has admitted that the benefits and child tax credits cuts will push 200,000 more children into poverty. <http://bit.ly/13HSFIU>

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Reducing social security payments now will worsen the economic slump. The OBR suggests that for each £1 cut from social security, 60p of spending power is taken out of the economy. Recent IMF data suggests the negative impact on the economy could be far worse, as high as a £1.70 reduction in spending power from every £1 cut. (Compass Plan B +1)

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This mythbuster from Red Pepper contains more useful fact-based responses to common misconceptions <http://bit.ly/13HSNbp>

And this info-graphic from the Guardian shows the total costs of each benefit <http://bit.ly/13HSQDP>

# Social security cannot be tackled in isolation through a succession of never ending parliamentary bills that are just about cutting the system back.

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## Themes:

Important arguments and themes that have emerged during our conversations include the following:

**1. Social security cannot be separated from economic security.** If we are to deal with causes and not just the symptoms of our social recession then we need an economic model that provides security and social justice through fair wages and decent, more evenly distributed work. Having overworked and stressed people existing side by side with those that are desperate for work makes no sense.

The reform of the welfare state also requires changes to housing, health, pensions and education policy. Social security cannot be tackled in isolation through a succession of never ending parliamentary bills that are just about cutting the system back. We have to deal with the causes and not just the symptoms of social and economic insecurity.

**2. We need a new way to conceive of social provision.** It should not be something done to people but with people, together. The emphasis is not just on the individual but how social networks can be built so that we can support each other, to innovate and redesign services on a human and local scale. Officials and professionals must treat all service users with dignity and respect and listen to their views. In this way it is not just about needs but capabilities too.

A flavour of this type of social provision is given by Hilary Cottam in the [Labourlist One Nation Labour ebook](#):

*Backr is an early prototype of a service which fosters employability by building resilient social networks around those seeking work, at low cost. Backr provides someone to vouch for you, to support you and reflect with you. The community critically includes those in and out of work and strong connections to local business. Working with hundreds of people who were languishing in the current system and watching their lives transform within this different culture does feel akin to watching people leave a bad relationship.*

With this model we can begin to transform the relationship between the citizen and the state.

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**Through new institutions, built by people and not remote bureaucrats, we create the spaces in which progressive values of equality and democracy are reinforced.**

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Universally preventative; this means providing services for everyone to reduce harm to us all. This universalism is essential to the renewal of the welfare state.

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**3. Universally preventative.** The widespread nature of an aging population and ill health due to modern lifestyles and endemic job insecurity means costly-targeted systems should be replaced by services that are open to all in a way that is **universally preventative**; this means providing services for everyone to reduce harm to us all. This universalism is essential to the renewal of the welfare state; it reduces stigma, ensures proper take-up, is more efficient to deliver, promotes gender equality, binds all into a progressive taxation system and ensures the sharp tongues and elbows of the middle classes improve services in a way the benefits everyone. It is no wonder that by all measures of economic and social success, international league tables are topped by societies with strong universal welfare states.

It is important to note that the so-called 'universal' credit which aims to combine both in-work and out-of-work benefits for those on low incomes within a single unified model is not universal at all but cements means-testing into the foundations of the social security system (while contributory benefits are being further marginalised at the same time). It also contains more conditionality than the existing system. More information on the universal credit can be read on the Inclusion website at <http://bit.ly/W9YIHa>

This excellent report from The Jimmy Reid Foundation demonstrates the effectiveness and efficiency of universal welfare:

<http://bit.ly/15BRGbD>

These papers from the new economics foundation show the importance of upstream prevention over downstream rescue:

<http://bit.ly/15BRSrf>

#### **4. Social security and gender equality**

We've already pointed out that cuts to social security will disproportionately impact women for a host of reasons. Women will also face disproportionate pressure from reduced social security because they are usually the ones that manage household budgets and therefore can be seen as the 'shock-absorbers' of poverty. A good social security system has to acknowledge the importance of women's financial autonomy through paying decent social security on an individual basis.

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## **Changing the Narrative:**

This economic and social analysis of what is happening to people's lives chimes with a set of beliefs:

**The renewal of the welfare state starts with a refusal to believe the worst of our neighbours, colleagues, friends and family and seeks to rebuild it by believing the best in people.** No one was born wanting to live their lives on the couch, avoiding not just work but the opportunity to make the most of their life, and very few do so. We are only fully human when we are creative and engaged in society with other people. Yet we must be given the space and opportunity to be a part of and add to our society- whether that be through paid work, caring for a family member, running a household, or being a part of our community.

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**It is about time we start seeing the unpaid work people do, such as care work, as priceless.** Priceless both because it is impossible to quantify its true value to society and impossible to imagine a market economy and human society without it.

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This renewal also starts with the belief that we are born equal, that is, we are born with an equal right to make the most of the wonderfully different talents and attributes we have. We must celebrate difference and support those who were born into lives of lesser privilege. **But that notion of fundamental equality requires society to intervene to equal out as many life chances as possible, which is one reason why policies such as Sure Start centers are so vital.**

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Poverty is not the fault of 'the poor.' The unemployed are not the problem, unemployment is. **From birth to death we are all increasingly vulnerable, to loss of work, our health, emotional stability or family breakdown through divorce or death.** Even if we are lucky – someone close to us won't be. We really are all in it together.



# We should stand against the politics that uses these insecure times to encourage the worst instincts in people - to resent those who need extra help.

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We should stand against the politics that uses these insecure times to encourage the worst instincts in people - to resent those who need extra help. **We should be framing conversations around the central ideal of fostering a supportive, collaborative society.**

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**Language is vital.** You may have noticed we have used the term social security in this document, this is because welfare has become contaminated by its association with a US-style residual poor relief for people of working age. We need to reclaim and own the phrase social security as not simply a bureaucratic means but representative of an end to which society aspires; a society that provides security. It expresses the desire to achieve, insofar as is possible, genuine economic security for all through social means. For more on this see [Ruth Lister in the Guardian](#).

**We must set the tone and create language that is reflective of the kind of society we want to live in.** We must not fall into the trap of using the populist and damaging language of those that seek to undermine social security. Public attitudes are not set in stone and it is time politicians and civil society started talking to the generous side of public nature.

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When talking about what levels benefits should be set at, it is useful to talk in terms of a level that is **'adequate for need', as socially defined.** Having benefits set below adequate levels means it is even harder for people to make the transition back to work, leading to misery and disruption for those that need it and costing the exchequer more in the long term.

# What is even more effective than ‘case studies’ is telling your own personal stories about why you care about social security.

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## The Personal Stories

Whilst facts are always important, personal anecdotes often have more of a persuasive impact. After all, the right use them all the time to demonise social security recipients.

<http://www.tellmystory.org.uk/> is a great website that has lots of personal stories describing the reality of life on inadequate social security. For example, this story from the website demonstrates the ‘striving’ that is required just to get by:

**I used to be a member of St John’s ambulance until I found work; I have since tried to re-join them but due to injury I am unable to.**

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**I was involved in a car crash when I was 20. I worked through the pain until I was 34, then having slipped off the back of a lorry I was forced to claim benefits.**

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**I find it very hard to heat my council flat and now with the reforms I have to find money for council tax, the cap has made it impossible for me to eat properly so will only be able to eat once a day if I’m lucky.**

What is even more effective than ‘case studies’ is telling your own personal stories about why you care about social security. This briefing by Marshall Ganz is a guide to how to construct a good personal story which campaigners can then use in many situations – download it at: <http://bit.ly/15BTIs9>

## Having Conversations about Social Security

Vital to winning the battle for an adequate system of social security is holding thousands of conversations across the UK that help persuade others of its importance. Talking to friends and family, those that you have a relationship with, is probably the best place to start. You could start with some questions to help frame the conversation:

**Q. Do you feel that we should have an adequate system of social security in the UK?**

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**Q. Do you or have you claimed social security? If so, do you feel it is adequate?**

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**Q. Do you feel it is fair that the government says that social security must be cut as a result of the banking/economic crisis?**

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Other questions can help cut through the myths around this debate such as:

**Q. How many families do you think there are where two (or more) generations have never worked?**

**Suggested Answer:** Research for Bristol University found that just 0.1% of unemployed people came from homes in which two generations have never worked. Intensive research by the JRF, referred to earlier, could find no families in which three generations of worklessness existed. If such families exist, they can only account for a minuscule fraction of unemployed people. (See <http://bit.ly/13HSeya> and <http://bit.ly/15BTNfx> for more).

# Benefit fraud (and error) is a miniscule 0.7% of the entire social security budget, benefit fraud alone is less than 0.7%.

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**Q. How much of the social security bill is accounted by benefit fraud?**

**Suggested Answer:** Benefit fraud (and error) is a miniscule 0.7% of the entire social security budget, benefit fraud alone is less than 0.7%.

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**Q. How much of the social security bill is spent on unemployment benefits?**

**Suggested Answer:** A very small 3% of the budget

And remember the link to the Red Pepper myths article we provided earlier. <http://bit.ly/13HSNbp>

It is also useful to engage in debates in local newspapers and on local radio to help challenge misconceptions around social security. The same principles apply, it is important to be armed with facts but telling compelling stories is also vital.

### **Some concrete ideas:**

We shouldn't be afraid of suggesting alternative ways of modernizing social security and reducing the social security bill without reducing entitlements through measures such as:

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**Creating thousands of well-paid jobs.** A real Green New Deal would be the best policy option. By investing in the new infrastructure Britain needs for transport, renewables and homes. For more on this see the [Compass Plan B report](#).

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**Affordable high quality childcare and elderly care support is crucial in this context.** This removes a major barrier for women who want to re-enter the workforce or continue to work throughout their adult life. Research has also shown that it **narrows the gap between high and low income households.**

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**Overall the money the country makes, through all of our efforts, has to be more evenly split between workers, shareholders and executives.** This would reduce the reliance of workers on tax credits and reduce in-work poverty and inequality.

### **Conclusion**

Through the fog of policy detail, claim and counter claim there are two very different visions of Britain emerging. One takes us back to a pre-1945 era, even a pre-1906 moment, in essence back to the workhouse and the divide between a deserving and undeserving poor (a sentiment which has never fully gone away). But a different future is becoming more and more attainable because it goes with the grain of people's lives and experience. It builds on the 1945 successes of the NHS and the rest of the welfare state, but remakes a society that is secure for all in our times. If we could do it then – we have to do it now. **Let's make it happen.**