

SEEKING SECURITY IN AN INCREASINGLY INSECURE WORLD

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‘The values and objectives which underlay in the past the search for security in an increasingly insecure world are still relevant to understanding the role of social welfare in Britain today’.¹ These words of Richard Titmuss, written over 50 years ago, are even more apposite now in the face of insecure labour and housing markets, family instability and a social security system that fails to do what it says on the tin i.e. provide financial security through social means. Indeed, the RSA has launched a new programme on economic security with the claim that it ‘is one of the defining challenges of our time’ and a poll that found over half of people think the government should do more for ‘people to help them become more financially secure’.² This is not just true of the UK. For instance, a Eurofound survey revealed widespread feelings of insecurity in the EU population, most intense among, but not confined to, people on low incomes.³ This suggests that the emphasis on *security* in the Secure Futures project could also help in the promotion of the overlapping principle of *social solidarity* that emphasises social security ‘is for all of us, not some of us’. Moreover, Guy Standing has argued that ‘basic security’ is what economists call a superior public good. It is a basic human need, and if one person has it then that does not deprive others of having it. Indeed, others having it improves one’s own basic security. Social policy should be judged by whether or not it provides basic security’.⁴

In a recent lecture, Andrew Haldane, Chief Economist at the Bank of England, reported that ‘income insecurity has been a key and recurrent theme in my recent discussions with charities, faith and community groups across the UK. Although he suggested that job insecurity has eased, in its place a ‘different scourge...rising income insecurity’

¹ R Titmuss (1965) ‘Social welfare and the art of giving’ reproduced in B Abel-Smith and K Titmuss (eds 1987) *The Philosophy of Welfare*, Allen & Unwin, London

² Blurb for RSA Chief Executive’s Lecture, 18 November 2019 and *The Guardian*, 19 November 2019; see also M Orton (2015) *Something’s not right: insecurity and an anxious nation*, Compass, London

³ Eurofound (2018) *Social insecurities and resilience*, Publications Office of the European Union, Luxembourg

⁴ G Standing (2019) *Basic Income as Common Dividends*, Progressive Economy Forum, London, p16

has emerged.⁵ Among research he cited was the Resolution Foundation study of pay volatility, which revealed that monthly pay fluctuations are now the norm, particularly, but not solely, among the low-paid.⁶

The study found that, for the low paid, this volatility increased anxiety and stress as well as debt. In a similar vein the authors of an RSA study reported that ‘repeatedly we heard testimony of people facing acute levels of ‘stress anxiety’ and ‘loss of control’ resulting from economic insecurity and volatility’ and its ‘cumulative and corrosive impact’.⁷ Other research highlights that among people in poverty financial insecurity derives not just from insecure incomes but also from the inability to meet unexpected spending demands – in the words of members of ATD Fourth World ‘worrying about when the next thing will come through and never having the spare money to solve the crisis. And then falling into debt because you didn’t have enough to replace the broken fridge.’⁸ Researchers write of a sense of insecurity representing ‘an existential verity’ for people in poverty gnawed at by fear and anxiety, reflecting a deeper ‘ontological insecurity’ resulting from the powerlessness arising from an inability to exercise control over key aspects of their lives and decisions, thereby undermining agency.⁹

Financial insecurity has implications for both physical and mental health. With regard to the latter, insecurity ‘is known to be central to mental distress’ according to Psychologists for Social Change. They contend that feeling secure ‘is central to wellbeing’, with particular implications for children’s emotional development. This means that ‘a society that supported parents would increase the chance of children beginning their lives with a sense of safety that in turn is linked to improved wellbeing in adulthood’.¹⁰ Watch Ken Loach’s *Sorry we missed you*, for an unbearably painful picture of the impact that stress can have on family life when both parents are struggling in jobs that do not provide financial security in ‘the land of zero-hours vassalage and service-economy serfdom’ (Peter Bradshaw, *Guardian* film critic). In an [article](#) calling for decent wages, the Archbishop of York decried the ‘uncertainty’ faced by such workers in the name of restoring their ‘dignity and self-respect’.¹¹

The role of social security

Decent, stable wages are part of the answer but so too is the social security system and it is right that genuine security is at the heart of CPAG’s ‘new vision’ for the system’s future. The RSA defines economic *insecurity* as ‘harmful volatility in people’s economic circumstances. This includes their exposure to objective and perceived risks to their economic well-being and their capacity to prepare for, respond to and recover from shocks or adverse events’.¹² It thus embraces both volatility of income and the ability to cope with (fluctuating or unexpected) demands on that income. Conversely, as cited by [Jane Millar and David Young in their blog](#), the ILO conceptualises income *security* in relation to ‘actual, perceived and expected income’, involving both the present and the future – and also Millar and Young suggest both adequacy and predictability. These present and future

⁵ A Haldane (2019) Climbing the jobs ladder, Speech in Scunthorpe, 23 July

⁶ D Tomlinson (2019) *Irregular payments. Assessing the bread and depth of month to month earnings volatility*, Resolution Foundation, London

⁷ A Painter and others (2019) *A Basic Income for Scotland*, RSA, London, p18; see also A Shafique (2018) *Addressing Economic Insecurity*, RSA, London

⁸ ATD Fourth World (2005) *What are the daily realities of people living in poverty in the UK?* Contribution to International Movement ATD Fourth World Seminar, Pierrelaye (France) September 23-5

⁹ K Underlid (2007) ‘Poverty and experiences of insecurity’, *International Journal of Social Welfare* 16: 65-74; S Pemberton and others, (2017) ‘Endless pressure. Life on a low income in austere times’, *Social Policy & Administration*, 51(7), p1170

¹⁰ Psychologists for Social Change (Previously Psychologists against Austerity) (u.d) *The Psychological Impact of Austerity*, Psychologists for Social Change, London

¹¹ J Sentamu (2019) ‘Give those on the breadline dignity: pay a decent wage’ *The Guardian*, 12 November

¹² A Shafique, see note 7, p10

perspectives are incorporated in the project outline's reference to life-cycle events, longer term vulnerable circumstances and 'a minimum level of income security at *all times*'

If, as the ILO has claimed, social security 'is the response to an aspiration for security in its widest sense', then arguably security underpins all the other principles in the Secure Futures project.¹³ It is also the first principle in a 'people's charter' for social security drawn up by the Fabian Society in collaboration with recipients.¹⁴ The ILO identifies 'basic income security', including for children, as integral to the social security guarantee 'anchored in the human rights framework'.¹⁵ The UN Convention on the Rights of the Child makes clear that children have the right to benefit from social security and to an adequate standard of living 'good enough to meet their physical and social needs and support their development'. For T.H. Marshall social citizenship at its most basic involved 'the right to a modicum of economic welfare and security'.¹⁶ And the principle of individual autonomy means that security must be guaranteed at individual as well as household level, particularly important in situations of domestic abuse in its various forms, including economic.

The RSA suggests that the current social security system is helping to sustain 'a political economy of insecurity' through increasingly strict behavioural conditions which are designed 'to move people into any sort of jobs, even if they are insecure, low paying and offer little progression potential' (p42).¹⁷ [CPAG's introductory paper](#) identifies this and other ways in which intensified means-testing in general and universal credit in particular are failing to guarantee security, indeed are aggravating insecurity in too many instances. It is possible to mitigate the insecurity created by means-testing as [Millar and Young's blog](#) suggests. And the replacement of discretionary local welfare assistance schemes with some kind of adequately funded statutory scheme could help to address the insecurity arising from unexpected demands on income and other shocks. But the problems of complexity, take-up, stigma and the poverty trap that CPAG [details](#), which all compromise the principle of security, are difficult to avoid in a means-tested system. Moreover, individual security rooted in autonomy, is hard to achieve. Thus, while mitigation of the insecurity associated with means-testing may be possible and, as CPAG acknowledges, [it is difficult to envisage the complete avoidance of means-testing](#)¹⁸, a longer-term alternative vision for a social security system, which provides genuine security for individuals through social means, cannot be built on the insecure foundations of means-testing. What then do the alternative models of universalism, contingency and contribution-based benefits offer from the perspective of security?

Contingency based benefits

Contingency based benefits, subject to neither a means nor contribution test but confined to particular contingencies such as childhood or a caring role or costs such as those associated with disability, are potentially an important source of security. Carer's allowance, paid to those caring 'regularly and substantially' for a severely disabled person, is a rare example of a contingency income-replacement benefit for adults. The security it provides is limited by the low level at which it is paid (below the equivalent contributory benefits except in Scotland where it is now higher than jobseeker's allowance) and restrictive eligibility rules attached to it. A revamped carer's allowance could offer much greater security for those doing the important work of providing

¹³ International Labour Office (ILO), *Into the twenty-first century: the development of social security*, ILO, Geneva, p19

¹⁴ A Harrop (2019) *Where next?* Fabian Society, London

¹⁵ ILO (2019) *General Survey concerning the Social Protection Floors Recommendation, 2012 (No. 202)*, Geneva, International Labour Office, pp 32 & 20)

¹⁶ T H Marshall (1950) *Citizenship and Social Class*, Cambridge University Press, Cambridge, p11

¹⁷ A Shafique, see note 7, p42

¹⁸ See also note 14

care, which can adversely affect their income security in both the short and longer term. Disability costs benefits also need to be reviewed.

Child benefit (and its predecessor family allowances) has always been promoted by CPAG as the most effective way of providing financial security in childhood. It has also traditionally provided some mothers not in paid work with a modicum of security as the only income paid directly to them, albeit for their children. More recently, CPAG has reported that it has played an important role as a reliable source of income in the face of the long wait for a universal credit payment or sanctions, despite its real value having been cut significantly in recent years. It goes without saying that an enhanced child benefit should continue to be seen as the social security lynchpin in providing a secure future for children. Ideally, though, it should revert to a genuinely universal contingency benefit not subject to the high-income charge, which has been the source of a number of problems for families.

While a decent child benefit system is a central plank in providing security for families with children, it does not stand on its own and ultimately children's financial security depends on that of their parents, which means adult benefits must also provide security.

Contribution-based benefits

Contribution-based national insurance benefits, in which entitlement is based on contributions paid or credited, represented the heart of a social security scheme designed to protect against risks over the life course such as unemployment and sickness under the Beveridge plan. However, over time they have increasingly been marginalised as means-testing's tentacles have spread to the extent that they now account for less than 9 per cent of spending on social security for people of working age and their children.¹⁹ The case made by the Commission on Social Justice (CSJ, of which I was a member) for a revitalised social insurance scheme that is better attuned to labour market and family change (and in particular women's position in both) is still worth revisiting.²⁰ Among the Commission's arguments were that social insurance can protect people against life events more cheaply, efficiently and fairly than private insurance and plays a unique role in helping people to smooth income over increasingly varied life courses. In other words, its very *raison d'être* is the provision of security. Moreover, as an individual entitlement it helps to protect the financial autonomy and therefore enhance the security of individuals, in particular heterosexual women, in couples. As Fran Bennett has pointed out, decent social protection for non-earning partners may also help address in-work poverty.²¹

Nevertheless, the social insurance scheme's ability to provide security has always been partially to the detriment of women in particular. Traditionally it has been premised on a male model of employment that takes limited account of contributions other than paid work, in particular the value of unpaid care work, and has provided poor protection for part-time workers. The CSJ and others²² have suggested ways of addressing these flaws and also of extending social insurance to cover other contingencies such as parental leave and long-term care, thereby extending the security it offers. These would all be worth revisiting, together with a reversal of the cuts made in the duration of benefits under recent governments. The question is how far the contributory principle can be stretched and the social insurance scheme revitalised to provide genuine security in the context of today's – and

¹⁹ See note 14

²⁰ Commission on Social Justice (1994) *Social Justice: Strategies for National Renewal*, Vintage, London

²¹ See [The Big Picture](#), blog in Fabian Society *Where Next?* Series, 2019

²² See for instance K Bell and D Gaffney (2012), *Making a Contribution: Social security for the Future*, TUC, London

even more so tomorrow's – insecure and fragmented labour market in which many people's earnings are so volatile.

Universalism: basic income (BI)

Doubts about the ability of contribution-based benefits to provide this security in the modern labour market are one reason why there is growing support internationally, across the political divide (reflecting differing motivations) for the idea of basic income, which represents the ultimate expression of universalism. There are a range of arguments for and against²³ but a cornerstone of the case for is the financial security it provides as an unconditional payment to individuals without either means or contribution test. Proponents of BI emphasise the positive impact on mental and physical health and the freedom and sense of independent agency and ability to think long term that such security might provide.²⁴ Psychologists for Social Change suggest that 'the psychosocial benefits...are potentially wide ranging' deriving from enhanced security and sense of agency among other things.²⁵ Arguably it should also do more to provide a degree of security for marginalised groups who can fall through the cracks of the social security system though in some cases (such as refugees and asylum-seekers) this would depend on whether it was subject to a residence test.

Many valid questions have been raised about a full-blown BI scheme, in particular how well it could meet disability and housing costs without compromising the simplicity that is one of its attractions and whether adequacy would be sacrificed for the affordability and public acceptability of a completely universal unconditional payment. Most advocates therefore now acknowledge that it cannot sweep away all existing benefits in the foreseeable future. Various proposals have been put forward for a partial BI, which would provide a floor under existing benefits. One option would be to fund it by the conversion of personal tax allowances into cash payments.²⁶ This has the double advantage of ending what Andrew Harrop of the Fabian Society has dubbed the 'regressive universalism'²⁷ of increases in the real value of these allowances, which provide no benefit to those too poor to pay income tax, only limited benefit to income taxpayers on universal credit and most benefit to higher rate taxpayers.

Of all the models on offer BI goes furthest to offer genuine financial security. Of course, a partial BI would go only part of the way as on its own it would not provide sufficient income for a decent life, necessary to address insecurity from an adequacy perspective. But it could provide a modicum of security in terms of certainty and predictability of income. This could be enhanced if combined with reform of contributory and contingency-based benefits so that, combined, they, rather than means-tested universal credit (which itself of course needs reform), form the fulcrum of the social security system. Such a combination could provide the best longer-term route to secure futures for children and families in an increasingly insecure world.

²³ See for instance A Downes and S Lansley (2018) *It's Basic Income*, Policy Press, Bristol

²⁴ See for instance G Standing (note 4) and contributions to M Torry (ed) *The Palgrave International Handbook for Basic Income*, Palgrave Macmillan, Switzerland

²⁵ Psychologists for Social Change (2017) *Universal Basic Income. A Psychological Impact Assessment*, PAA, London

²⁶ As proposed by Stewart Lansley and Howard Reed (2019) in *Basic Income for All: from desirability to feasibility*, Compass, London

²⁷ A Harrop (2016) *For Us All. Redesigning social security for the 2020s*, Fabian Society, London