



## **Submission to Liberal Democrat Working-age Social Security Policy Review (April 2016) by the Centre for Welfare Reform and Ekklesia**

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# Introduction

The Centre for Welfare Reform is an independent think tank. It is not powered by private financial interests, but by the commitment and intelligence of citizens committed to protecting and enhancing the welfare state. The Centre believes that everybody matters and it is opposed to elitism, prejudice and discrimination.

Ekklesia is a think tank concerned with the relationship between beliefs and values on the one hand, and political and economic decision-making on the other. It is Christian in inspiration, but works closely with people of other faiths and with those of no religious belief but strong ethical commitment. It collaborates with the Centre for Welfare Reform and others on social security and disability concerns, seeking to generate innovative, practical policy ideas that draw on the experience and expertise of those living at the cutting edge of these issues.

We have reviewed the Liberal Democrat's consultation document on social security and answered its questions below. Quite naturally the document oscillates between longer-term questions and the short-term problems created by current policies. Inevitably this means that there is some complexity in replying to all these questions as they stand. However we've made our best effort, within the time available, and there is a reading list of papers and essays attached at the end of our paper.

Overall our view is that the current system of social security in the UK is fundamentally flawed and that the current effort to reform it (known as Universal Credit or UC) is doomed to failure. Over the last 30 years or more the UK has become an increasingly unjust society. We must face up to this fact and directly address the problems of deep poverty, disadvantage and growing inequality.

Now is the time to introduce of a system of Universal Basic Income (UBI) (Raventos, 2007). Such a policy will help reduce poverty and inequality and eliminate the stigma, perversities and sanctions that have become prevalent in the benefit system. In its place we need to build a system that gives people a secure income, positive incentives and community support. This can be introduced in a way that is both incremental and practical. The first step is to close down the DWP and to shift the function of benefit delivery into HMRC.

However no one policy is a panacea for addressing wider social problems (Wispelaere, 2015). Instead we must see UBI as just one element in a wider reform effort, one that will:

- Eliminate poverty and reduce inequality
- Ensure everyone has a secure home of their own
- Shift power to local communities, families and citizens
- Protect our socioeconomic rights with stronger constitutional measures

The challenge for the Liberal Democrats is considerable. The party has a long history of tackling injustice and the vested interests of the powerful. However the forms that injustice takes change over time. Today much that is deeply unfair is disguised by myths and assumptions that have become commonplace, despite being utterly false. It will take bravery for politicians to confront lies that have been taken for granted for so long. However we hope that the Liberal Democrat Party can again commit itself to the cause of social justice and that it will start by protecting the interests of those who have been most disadvantaged by the current system.

# Answers to questions

The questions below, and their prior assumptions are set out in the Liberal Democrat [consultation](#) document.

## Question 1 - Do the suggested principles above form a good basis for our approach to social security policy? Which are most important?

No. The fundamental ambiguity at the heart of current thinking is the failure to acknowledge growing levels of inequality (and therefore poverty) unless there is a robust system of redistribution to counterbalance the underlying economic forces (Duffy, 2016a). The failure to recognise this fact has led to policies that promote 'work' as the primary cure for poverty and which blame the poor and disabled people for their own poverty. In addition the recent economic crisis, caused by monetary policy and a housing bubble, has further increased the scapegoating of disabled people, immigrants and people in poverty.

Nor is there sufficient recognition of the specific needs of sick and disabled people. Sick and disabled people who are able to work need extra financial support to maintain them in a job (to fund transport, equipment). Those who are unable to do paid work, or who can only find paid work intermittently, can still make valuable contributions to society in other ways, and they still require sufficient income to meet their needs.

Furthermore, work has been narrowly understood and confused with paid employment. This disregards all the work done by families (particularly by women) and by citizens (particularly through voluntary contribution) (Duffy, 2015a). Overall this means that current policy fails to attend to the primary causes of poverty (low benefits and low wages) while denigrating many of the different kinds of contribution that actually make our communities stronger and richer (caring and volunteering).

These problems are underpinned by assumptions about macroeconomics and monetary policy which lock us into an unsustainable economic system. Despite talk of monetarism the policy that has actually prevailed for over 30 years is one of privatised Keynesianism (Crocker, 2014). The money supply is now created by the banks, who in turn lend on the basis of assets (particularly property). This means that the policy has become increasingly unjust and self-defeating. It fuels personal debt and a house price bubble and directs resources to the better off who can afford to borrow. It can no longer even effectively function as a tool for ensuring there is enough demand in the economy. A basic income policy would enable us to democratise the money supply and to invest instead in citizens, not in banking (Henry, 2014).

## Question 2 - How can we ensure the system takes a holistic approach?

We propose a constitutional approach to welfare reform, one which defines the elimination of poverty and the control of inequality as constitutional principles of law, supported by appropriate constitutional reforms. This would need to be combined with a constitutional reform of local government and stronger protections for socioeconomic rights and advocacy for those most likely to be disadvantaged by our socioeconomic system. Such a reform should be combined with democratic reform of the House of Lords (Duffy, 2012).

We would recommend the establishment of an independent board to define the level of basic income necessary to eliminate poverty. Poverty and basic income levels could be set independently, subject to public scrutiny and regular review (Duffy & Dalrymple, 2014). Basic income levels also need to recognise the specific extra requirements of sick and disabled

people, who will need a higher level in order to fund equipment, transport, laundry costs etc. (Duffy, 2016b).

### **Question 3 - How can we build broad public support for the benefit system?**

As it stands the benefit system and the concept of benefits cannot be easily salvaged from decades of stigma and scapegoating. A radical cure is required.

We would start by closing down the DWP and integrating benefits into the tax system. From this basis a policy of UBI could be developed with the primary goal of eliminating poverty. On its own this would not be enough, but it would be a start, as every citizen would benefit from seeing the level of their basic income secured through a universal benefit (no matter the impact on the marginal rate of tax paid or on their final net income).

It is also essential to directly challenge the prevailing narrative about welfare 'scroungers'. This requires public information films, social media campaigns and newspaper campaigns to describe the real life situations of people in poverty. Such initiatives should also lay bare the devastating consequences of the last 6 years of welfare cuts and the damaging impact this has had on real people's lives. We must challenge the dangerous mythology that benefits are generous and that benefit fraud is significant. We need to be bold and develop a vision of a society where everyone is considered a citizen with equal rights and dignity and where all fare well.

### **Question 4 - Should there be residency time limits before someone is eligible for UK benefits?**

No. It is a myth that people are rushing to the UK to take advantage of our benefit system. Politicians should be clear that it is a myth and not pander to those who try to promote injustice or the erosion of basic human rights. If you live here then you should be treated as a citizen, supported to contribute, and guaranteed the same rights as other citizens.

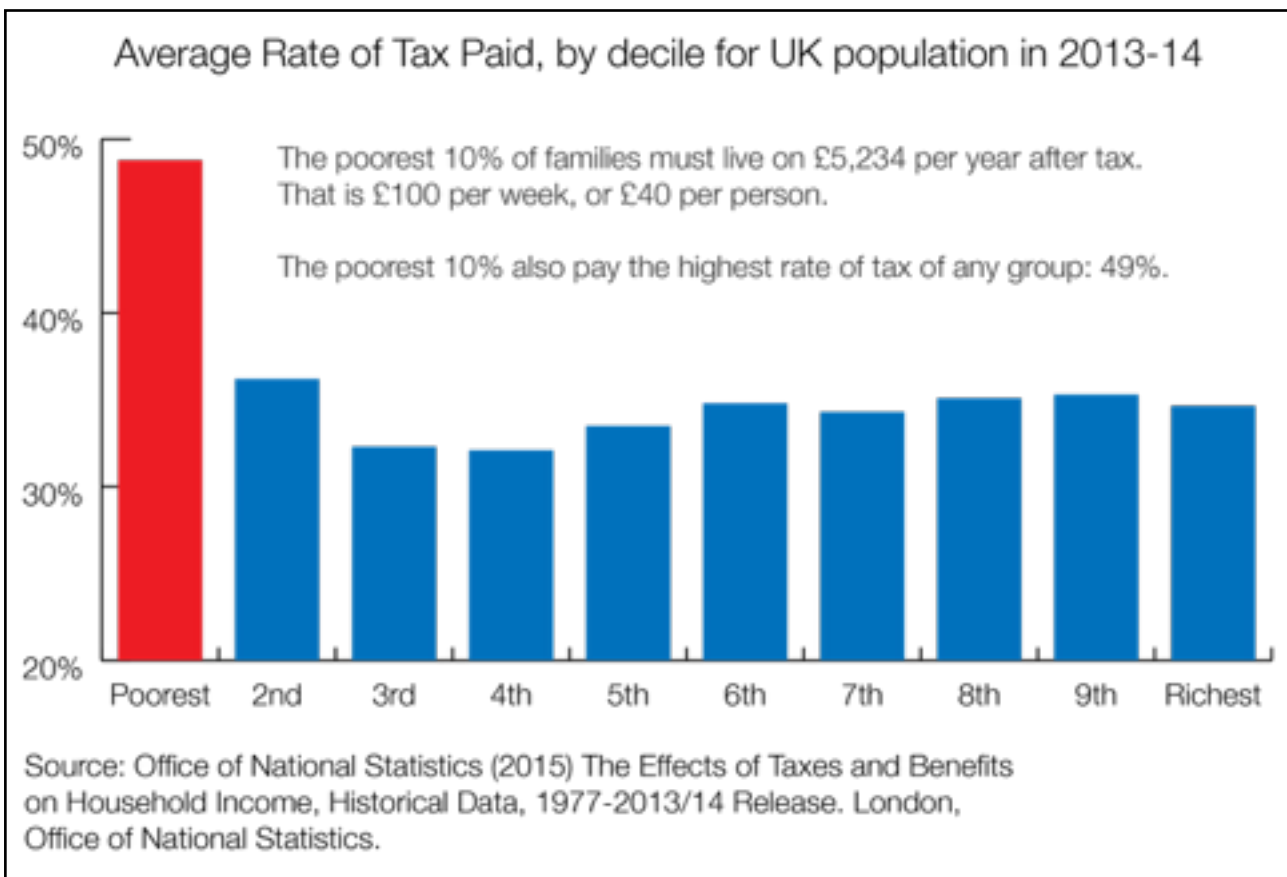
### **Question 5 - Is the proportion of working-age people currently receiving benefits appropriate? If not, what proportion is?**

This question is misconceived and demonstrates the problem in talking about 'benefits' while forgetting many direct and indirect benefits received by the better off. Since the banking collapse the UK economy has been underpinned by interest rate levels that provide enormous de facto subsidies to the better off (an average of £4,134 per year for the top 10% of families) yet these 'benefits' are never counted in public policy discussions (Duffy, 2013a).

As industrialisation has increased efficiency so it has robbed people of the basic means to secure their income. Progressively we have learnt that the only meaningful foundation for income security is our collective commitment to provide the necessary security for each other. As robots and computer technology further speeds up this process the need to address the issue of income security by political - rather than by merely economic means - will continue to grow. Ultimately basic income will be taken for granted as the natural solution to this problem, just as we all now see pensions as an essential part of a fair society.

## Question 6 - How important are the principles behind contributory, means-tested and universal benefits? What should the balance be between them?

Means-testing is of course a central function of our tax system and it is essential for controlling inequality. However, it is the poorest 10% who pay the highest taxes - both as an average of overall income (49%) and as a marginal tax (often approaching or exceeding 100%). A system of basic income, which is what we advocate, removes means-testing from targeting those 'on benefits'; but we must go further and reduce the overall tax burden on the poorest which means looking at all taxes (Duffy & Dalrymple, 2014).



Whilst the contributory principle appears valuable, it is actually expensive and distracting. As with pensions, efforts to create more elaborate systems, to encourage behaviours that politicians believe are valuable, are rarely effective. Human beings have a tendency to discount long-term benefits for short-term gain (however irrational that might seem). Furthermore, as UK benefits are extraordinarily low, trying to create a two tier system will prove even more expensive if the primary goal is to reduce poverty.

## Question 7 - Is there an income level at which you should no longer receive support from the state, e.g. Winter Fuel Payment or tax-free childcare?

Again, we advocate basic income. If we want to reduce the net benefit to the wealthy then the tax system already gives us the means to do this without reducing the universality of any basic income. Further means-testing of benefits is actually a form of double taxation and is to be avoided as a matter of principle.



## Question 8 - Should receipt of benefits be subject to conditionality, depend solely on need, or be paid by right?

A legal right to a basic income necessary to live with dignity is rooted in inalienable human rights. These rights should be properly enshrined in UK constitutional laws and systems of governance. Currently the poorest 10% of families (about 6 million people) live on £40 per week after tax. It is utterly unacceptable to further reduce this tiny income to zero for any reason. As it stands conditionality has opened the door to injustice and cruelty (Duffy, 2010).

You work for 20 years, then because you haven't had the process clearly explained to you, you miss an appointment, so you get sanctioned for 3 weeks • You're on a workfare placement, and your jobcentre appointment comes round. The jobcentre tells you to sign on then go to your placement which you do. The workfare placement reports you for being late and you get sanctioned for 3 months • You're five minutes late for your appointment, you show the advisor your watch which is running late, but you still get sanctioned for a month • You apply for more jobs than required by your jobseeker's agreement, but forgot to put down that you checked the local paper (which you've been specifically instructed to do via a jobseeker's direction) so you get sanctioned • You're on contributions based JSA (which is JSA paid on the basis of National Insurance you've paid in, not on your level of income) and get your appointment day wrong and turn up on Thursday instead of Tuesday so you get a four week sanction • It's Christmas Day. You don't do any jobsearch, because it's Christmas Day. So you get sanctioned. For not looking to see if anyone has advertised a new job on Christmas Day • You get an interview but it's on the day of your nan's funeral. You have 3 interviews the day before, and you try to rearrange the interview, but the company reports you to the jobcentre and you get sanctioned for failing to accept a job • You get given the wrong forms, get sanctioned for not doing the right forms • You're sick and miss an appointment, but you've already missed one so you get sanctioned • You don't apply for an IT job that needs skills you don't have so you get sanctioned • You volunteer in a youth club. For some reason the jobcentre thinks this is paid work so they sanction you • You attend a work programme interview so you miss your jobcentre appointment and get sanctioned • You've got no money to travel to look for work so you get sanctioned • You have an interview which runs long, so you arrive at your jobcentre appointment 9 minutes late and get sanctioned for a month • You've been unemployed for seven months and are forced onto a workfare scheme but can't afford to travel to the shop. You offer to work in a different branch you can walk to but are refused and get sanctioned for not attending your workfare placement • You attend a family funeral and miss your jobcentre appointment so you get sanctioned • You have a training appointment at the same time as your jobcentre appointment, you tell the jobcentre you won't be coming but they say you have to, and to get a letter from your new training organisation. Your training organisation says they don't provide letters • You are easily confused or have poor English language skills, you will be disproportionately targeted for sanctions • You retire on the grounds of ill health and claim ESA. You go to your assessment and during the assessment you have a heart attack, so the nurse says they have to stop the assessment. You get sanctioned for not withdrawing from your assessment • You get a job, isn't that great? The job doesn't start for two weeks, so you don't look for work in those two weeks, and get sanctioned for it •

[Source: <http://falseeconomy.org.uk/blog/a-list-of-completely-ridiculous-benefit-sanctions-people-have-experienced> Accessed 3 April 2014]

## Question 9 - To what extent should there be sanctions for breaching conditions attached to benefits, and how extensive should they be?

The use of conditionality and sanctions by the current UK Government is one of the most perverse and damaging policies currently being applied to the citizens of the UK. Not only is it leading to barbarous misjudgements, cruelties and deaths it also reinforces a false characterisation of ordinary people as somehow inept and deserving of such cruel treatment.

Sanctions have been found to be particularly harmful to people with mental health conditions and to have led to the rise of food bank usage (Joint Public Issues Team, 2015).

### **Question 10 - Are there better ways to approach support across the lifecycle than the current tripartite system?**

A system of basic income can be fluctuated with respect to age and this could mirror, and hence soften, the shift from the old benefit system to a new system of basic income. It would make most sense to simply treat this as just one important variable which can be adjusted in the light of its impact in reducing poverty, family formation and other important measures of wellbeing. Such a system would also require a level of Basic Income Plus which would meet the needs of sick and disabled people and their family carers (Duffy, 2016b).

### **Question 11 - Where should the balance lie between the functions and objectives described above?**

The primary purpose of the system should be to eliminate poverty. The lowest levels of income are defined by the benefit system (and by exclusions that cut people's income to zero, e.g. the rules which forbid us supporting people who have unsuccessfully tried to seek asylum in the UK). The system should focus on defining and eliminating unacceptable levels of poverty - although, in addition, we should also ensure that the systems we use also enhances:

- a) our citizenship and ability and incentives to contribute
- b) our family life and incentives to support and care for each other
- c) our community life and the wellbeing of the whole society

### **Question 12 - Should the benefits system be more redistributive and which taxes should be increased to pay for this?**

Redistribution and the reduction of inequality should be the secondary goal of the whole system. Taxes on incomes, property or savings would be the appropriate means to achieve this goal. Property taxes in particular are important in order to reduce the over-inflation over the housing market, a system that underpins many of our current economic woes.

### **Question 13 - Should we base policy decisions on relative poverty, absolute poverty or other measures?**

Relative poverty muddles up the two goals identified above. In future we should distinguish them by using an expenditure based approach to absolute poverty. In addition we should monitor one or measures of income inequality.

There are of course many other social important goals (improving educational standards, health, family resilience etc.). However, while it is important to monitor these and to examine the intersection between different areas of disadvantage or privilege, there is no case for muddling up economic poverty with other issues. Such a policy persuades nobody and merely brings policy-makers into disrepute.

### **Question 14 - What level should people be expected to live on if their sole source of income is benefits?**

We would like to see the highest feasible basic income. The test for the highest feasible level is empirical and cannot be identified in advance. To start with the integration of current benefits, tax credits and tax allowances would provide a platform to test higher levels. Any level becomes unfeasible when its economic impact is to reduce (true) productivity and to

undermine the sustainability of the basic income system itself. Given the current UK's high levels of inequality, employment and low productivity we can be confident that increasing the level of basic income from its current low base will only make things significantly better (Duffy, 2015).

Equality		Low Unemployment		Wealth	
1	Sweden	1	Switzerland	1	Norway
2	Norway	2	Norway	2	Switzerland
3	Denmark	3	Austria	3	Netherlands
4	Finland	4	Germany	4	Ireland
5	Netherlands	5	Denmark	5	Austria
6	Austria	6	United Kingdom	6	Germany
7	Germany	7	Finland	7	Sweden
8	France	8	Sweden	8	Denmark
9	Ireland	9	Netherlands	9	Belgium
10	Switzerland	10	Belgium	10	Finland
11	Belgium	11	France	11	France
12	Greece	12	Ireland	12	United Kingdom
13	Italy	13	Italy	13	Italy
14	Spain	14	Greece	14	Spain
15	United Kingdom	15	Spain	15	Greece

[Sources: World Bank Gini Data; List of sovereign states in Europe by unemployment rate, Wikipedia; List of countries by GDP (PPP) per capita, Wikipedia. data accessed 13 April 2015 ]

### Question 15 - What elements should be included in a measurement of poverty or child poverty?

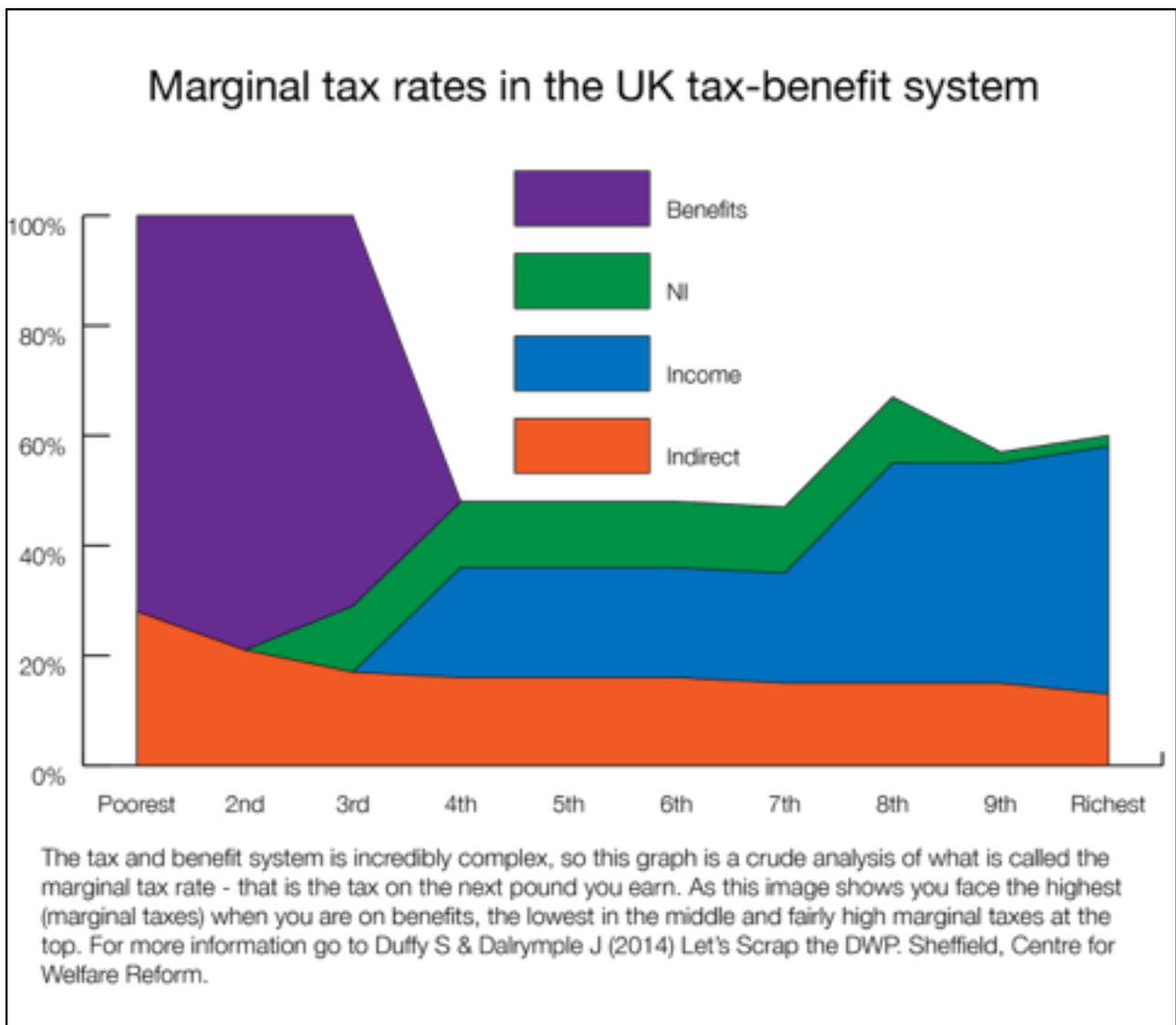
The notion of child poverty has been important politically; it tries to protect the interests of families with children. However the whole system is so deeply flawed, in practice and theory that we would propose abandoning it and replacing it with a commitment to eradicate poverty overall, while certainly observing the degree to which families may be particularly disadvantaged by any system.

It is noticeable that other groups are becoming impoverished by Government policy, for example disabled people. It is concerning to think that a focus on child poverty (which certainly should be eradicated) might even be distracting us from witnessing how many groups are being harmed by government policy.

### Question 16 - Should we maintain the 2020 target to eradicate child poverty?

We should, however, the current Government is committed to further increase poverty and to increase inequality. Every effort must be made to underline these facts and challenge the government at every opportunity.(Duffy, 2013b, Duffy, 2014).





**Question 17 - What more can be done to integrate UC and other benefits with the personal tax and NI system, avoiding high deduction rates where they overlap?**

Universal Credit is too deeply flawed to be saved. The fundamental structural flaw is the departmental and technical differences between our approach to personal taxation (which is based on individuals) and our approach to benefits (which is based on families). The best solution is to close down the DWP and move most of its financial functions to the Treasury. In future the whole system will need to use a system based on individuals. It will then be possible to integrate benefits, taxes and to begin the process of reducing the extreme marginal tax rates that face the poorest.

**Question 18 - Is UC the best way to simplify the benefit system or are there better ways?**

Basic income should be delivered through an integrated tax-benefit system, with basic income plus developed to ensure the needs of sick and disabled people and their carers are met.

### **Question 19 - Should we consider paying benefits in the form of tax rebates?**

No. See above.

### **Question 20 - If they both produce the same incomes, should we use means-testing to withdraw benefits or combine universal benefits with higher taxes?**

This question reveals the injustice that lies at the heart of the current system. Means-testing is simply tax by another name. So the question should be reframed as: should the taxes used to fund benefits be targeted at the poorest or not? Framed as such the injustice of means-testing becomes clearer.

### **Question 21 - Should we keep UC as the basis of most working-age benefits or scrap it? Should we move to CI or NIT, or another system?**

Scrap UC. Move to UBI. This can be done incrementally and the first step is to close down the DWP and establish Basic Income Plus for sick and disabled people and their carers.

### **Question 22 - There would be costs associated with scrapping UC. What costs would be acceptable?**

UC has failed so spectacularly that any cost would be acceptable. Any such costs would be absorbed by the great savings made by closing down the DWP as a whole.

### **Question 23 - Should we consider an insurance-based system? Should this replace or add to the status quo?**

No. Social security is meant to be the basic insurance system. But it is currently designed so poorly that the priority must be to redesign it along basic income lines. Anything more ambitious would have further costs, and these should not be considered until a system that meets the basic requirements of social justice is in place.

### **Question 24 - Should we introduce financial incentives to encourage private top-ups, e.g. tax relief on job loss insurance premiums?**

No. This kind of policy is always beneficial to the better-off, expensive and ultimately distracting from the fundamental purpose of the system.

### **Question 25 - Should we make greater use of private sector insurance and should this be funded by individuals or businesses?**

No. Private sector insurance in general is more expensive and less effective than the social insurance provided by the welfare state.

### **Question 26 - Should we encourage employers to provide additional insurance cover as an employment perk and if so how?**

No. For reason described above. Employers have increasingly reduced their role as providers of security. It is very unlikely that the modern economy will benefit from this kind of corporatist approach (even if it were feasible).

### **Question 27 - Should we consider introducing 'personal welfare accounts'?**

In the sense defined - no. However integration of tax and benefits would mean that each of us would have a distinct account with HMRC.

### **Question 28 - What improvements to the structure of UC could we make (e.g. level of award, work allowances or taper rates) and how should we respond to the Government's cuts?**

None. Be brave and recognise the level of failure inherent in the design of UC. Two different systems (tax and benefits) cannot be reconciled by computer technology. Instead the whole system must be run from one department, working to a consistent methodology. It is the net impact of benefit and tax changes that is critical to social justice, yet this is utterly obscured by the current system.

### **Question 29 - Which other benefits should be subsumed within UC?**

None. However all benefits, plus tax credits, plus tax allowances can be integrated into a system of basic income.

### **Question 30 - What could be done to improve or speed up the process of claiming benefits to make it better for claimants?**

Basic income and Basic Income Plus would benefit from the same simplicity and efficiency of Child Benefit and the Pension.

### **Question 31 - How could we improve the take-up of benefits amongst those eligible, particularly amongst the most vulnerable (e.g. better government data sharing between DWP and the Department of Health)?**

The key is to provide people with a basic income and Basic Income Plus and to ensure people know of their rights if they have additional needs. This approach would build on the relative success of self-assessment for tax. Claims for extra entitlements are triggered by the basic system and would be supported by others in the system (e.g. social workers, GPs, community nurses and community advocates). However proposal to draw other Government departments into this process should be treated with caution as their own systems are rarely robust.

### **Question 32 - How can we make the system work better for the most vulnerable, such as the homeless or those with mental health issues or learning disabilities? What about those who can never work?**

Basic Income Plus would be best for all these groups. The current strategy that tries to overly discriminate between those who can and cannot work is deeply flawed. The concept that there is a clear and identifiable group 'who can never work' is highly misleading and unhelpful and should be dropped. It serves only to pander to those who want to create a class of the 'deserving poor' and hence a class of 'undeserving poor'.

**Question 33 - How can we ensure claimants feel well supported by JCP? What more could we do to ensure JCP staff have all the tools they need (e.g. support or training) to best achieve this?**

Supporting people to find work or to contribute to the community in other ways is best done by communities and employers themselves - who have both the incentive and the relevant knowledge. JCP functions should be transferred to local government. Targets and sanctions should be abandoned.

**Question 34 - Do we need sanctions, and if so how can we ensure the sanctions system is seen to work fairly, particularly for those with limited understanding?**

No. Sanctions are barbaric and we should be ashamed to have allowed them to grow into to such a dreadful system. The current 'Work Programme' gives more people sanctions than it helps people find jobs.

**Question 35 - How frequently should UC payments be made, and should there be different payment options for different people?**

See above. UC should be scrapped. Payment schedules could vary in basic income and basic income plus, but there seems no good reason to allow such variability. A very regular system (weekly) is probably best.

**Question 36 - Should we devolve more to local authorities in England and the Welsh and Scottish governments? If so, what areas?**

The definition of tax and benefits is best left as a matter for national governments (which will increasingly mean subject to governance of 4 home countries). However it would make sense to administer these from local tax-benefit offices. Correlating tax-benefit offices with local authority boundaries would make perfect sense and allow for a range of other possible reforms.

**Question 37 - What would the role of local JCPs be if areas of work are devolved to local authorities?**

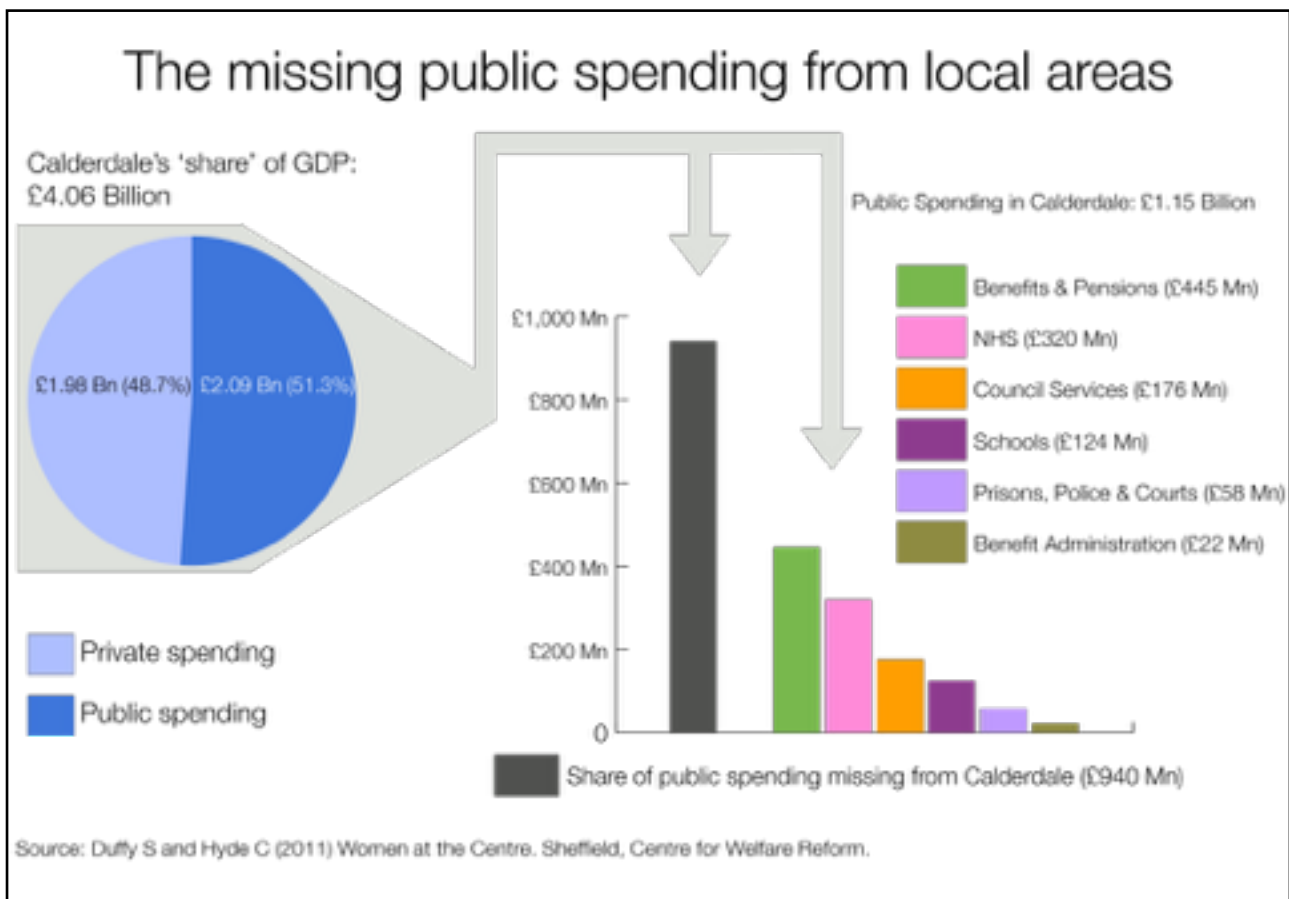
These functions should be fully decentralised. However, along with other such welfare functions (health, education, housing and social care) local authorities should be accountable for ensuring that people's human rights are respected. So the judicial review of all such local systems must be carried out at a national level and must be empowered to avoid systematic abuse or failure at a local level.

JCPs have been so distorted from their role of support and enabling that they have lost the trust of people claiming benefits. Current ideas of combining such roles with those of health or social care professionals will fail because the present system is so abusive. In practice the most interesting innovations will emerge if the concept of a JCP is dissolved. In its place local communities could explore many different kinds of reform. It is likely that peer support, volunteering and a link to social work functions will make sense.

## Question 38 - How can we protect long term funding for those areas that are devolved?

This is a fundamental question. Devolution on current terms is a mess and will not lead to positive reform. There needs to be constitutional reform and one (but only one) of the key issues will be the economic settlement for the whole system. The current rules for local authority settlement are quite unsuitable and disguise huge subsidies for London and better off areas. We are working in a system that is structurally unbalanced and unsustainable.<sup>39</sup> Should we consider regional benefit levels or regional Benefit Caps?

We think this question reveals how confused and piecemeal is our approach to geographic inequalities and the future of devolution in the UK. As it stands the current system already serves to disadvantage the North of England and other areas far from London. Any further extension of regional variations in benefits will worsen the situation. This whole issue demands a holistic analysis and benefits should not be separated from other areas of public spending. A recent analysis of spending in one Northern town showed it receiving about £1 billion less in funding that it would have if all public funding were distributed on a per capita basis (Duffy & Hyde, 2011; Duffy, 2012a). Furthermore, due to the costs of living in more expensive areas, regional benefit levels and caps hurt the poorest who are priced out of their own communities.





## **Question 40 - Is overall spending on working-age social security about right? Where is spending too high or too low?**

The overall spending on working age social security is too low. We are a low wage, low benefit, low productivity economy. The only area we are leading in is inequality and subsidies for the better off. Most of these subsidies are delivered indirectly - not through the benefits system. Only a totally wide-ranging approach to social justice and our financial and economic systems will help us reverse the wretched policies of the past 30 years or more.

## **41. For each section below, what savings could we propose to help fund other measures?**

You can save money by closing down the DWP, removing the system of privatised assessment and simplifying the benefit system. However the real issue is to integrate with the tax system and to help people see the interrelationship of tax and benefits.

## **Question 42 - Some groups may be affected by benefit cuts more than others. What should be done to protect against direct or indirect discrimination?**

Over the past 6 years disabled people have been impacted more than most (Duffy, 2013b; Duffy, 2014). In addition we have wrongly deprived refugees and other minority groups of even the most basic human rights. We should reverse these policies and put in place constitutional protections that recognise our international obligations.

## **Question 43 - Many aspects of the benefits system are less generous towards younger people. Should this intergenerational inequality be reduced and if so how?**

It may be morally acceptable to discriminate between different ages, for certainly our ability to earn and save changes over time. However, given the importance of helping people establish homes and families as the bedrock for our society then the current prejudice against young people seems perverse in the extreme. These matters should be subject to constitutional protection and judicial review in the light of the facts.

## **Question 44 - What approach should we take towards benefit uprating?**

Reverse the current crazy policy which guarantees that the UK, already the most unequal country in Europe, will soon become the most unequal developed country in the world.

## **Question 45 - What should our policy be on the Benefit Cap?**

You should recognise it for the immoral and dangerous nonsense it is. It reflects a deeply flawed approach to macroeconomics and social justice. The first place to invest is in direct incomes and the incomes of the poorest. Benefits are the last thing a sane society should want to cap.

## **Question 46 - Does the Statutory Sick Pay system work well? Are there any changes that should be made?**

We have no view on this matter.

### **Question 47 - Should we consider an approach like the Dutch system, where employers play a larger role in supporting sick people back to work?**

In the UK employers vary in size and capacity. However creating a duty to support ex-employees back and a duty to make work as accessible to disabled people are important. This also will require financial support for employers to make the necessary adjustments and reversing cuts to the Access to Work.

### **Question 48 - Should we reform the ESA framework of assessment into the three categories? How could it better support those with chronic and fluctuating conditions?**

No. ESA is a failed policy. Instead treat ESA as a form of Basic Income Plus. Strip out the wasteful conditionality and means-testing. Allow for the extra costs of disability and the lower incomes of disabled people by setting Basic Income Plus above the Basic Income level.

### **Question 49 - How can we ensure claimants have confidence in the WCA and PIP assessments?**

These systems should be abandoned. If self-assessment works for tax there's no reason to think it won't work for benefits (which have historically been under-claimed, not over-claimed). Any such system can be validated by a reasonable level of fact checking and validation by NHS staff. Much more local delivery and coordination of tax and benefits is also likely to help increase reliability of the system.

### **Question 50 - What could be done to improve decision-making in DWP and ensure redress for failures?**

Decision-making will be improved once the DWP is closed down. In the future the same light-touch regime employed by HMRC could be extended to people on lower incomes as is already applied to the better-off. Of course it is also essential to return to people the right to get legal aid.

### **Question 51 - Should the WCA include an assessment of whether claimants are fit for the jobs available in the local economy?**

It is our view that the WCA and the ESA is not fit for purpose. ESA should be replaced with a unconditional non-means-tested benefit which reflects the cost of disability. As long as people have their disability they should receive this payment (whether or not they work). This is an excellent area to begin testing out the principles and practice of basic income. We call this Basic Income Plus.

### **Question 52 - Should WCA and PIP assessments be brought back in-house to JCP? What would be the cost of doing so?**

More than this the whole system needs to be overhauled (see previous answers). There is no evidence that disabled people are less reliable at giving honest answers than people filling out self-assessment tax reforms (in fact somewhat the opposite). Hence self-assessment is likely to be reliable. If people required support with assessment it should come from a trusted professional of their choosing (e.g. their GP or social worker).

### **Question 53 - How can we better support disabled people into work or at work?**

Research suggests people are best supported when they receive support that is (a) tailored to their circumstances (b) where incentives are positive (c) where support comes from people with relevant local knowledge and close connections with employers. In other words the best way of supporting people into work is the opposite of the current Work Programme developed by Lord Freud.

### **Question 54 - What more can be done to help people stay in work or keep their job open if they have an accident or fall sick?**

Statutory rights around employment can be strengthened. This may be helpful in some circumstances. In addition, we should consider subsidies to small businesses to help them cope with staff on long term sick leave, and to enable them to keep jobs open for staff with fluctuating health conditions.

### **Question 55 - Could employers be incentivised to invest more in keeping staff on, and if so how?**

Basic income is better way of securing incomes and allowing for changing economic conditions than any inevitably complex and costly system of subsidies to employers (which would also be prejudiced against the self-employed). However systems like Access to Work (that provide support to individuals) are helpful to employers and employees in ensuring resources are available to support staff in work and this should be enhanced. In addition, government should help make premises accessible, enable support for people with fluctuating mental health conditions and recognise other additional supports that might need to be in place for sick and disabled workers.

### **Question 56 - What should be the future of Access to Work and how can we increase take up?**

Additional support at work would be better delivered as part of an integrated approach to personal budgets at the local level. However, without more fundamental reforms, any reduction in Access to Work is likely to continue to undermine our current miserable performance at supporting disabled people to work.

### **Question 57 - How much should Carer's Allowance pay, e.g. should it be the same level as JSA? Should we reconsider the income limit?**

This is another policy that would look very different if people got a basic income. Carers need sufficient income in order to support their relative and maintain their own health, the level of UBI therefore needs to be sufficient to do this and needs to be higher than current JSA.

### **Question 58 - Should we maintain the policy of providing a Carer's Bonus? Is this a good use of money?**

Supporting carers is vital. The notion of a bonus seems like a gimmick. People need rights not handouts.

### **Question 60 - How should we respond to the reductions in social housing rents?**

Communities require a range of housing provision including housing association, local council housing, and home ownership, with the possibility for everyone to choose a safe, accessible, affordable home in the place of their choosing. There is currently no coherent policy to deal with the growing level of inequality in home ownership and housing security. We recommend a UK wide programme to tackle the housing problem strategically and to invest in it over the next decade.

Future policy will probably need to recycle money from the over-inflated house prices of the better off to those who cannot afford to own their own home. It will require rent controls, limits to foreign investment in housing, development of council housing, banning of the sales of council estates and overturning right to buy policies which have led to an increase in private landlords (Francis, 2016). This is a policy where a much more local approach - within an overall framework is probably necessary. At its most fundamental level the right to a home must be linked to the responsibility of your local authority to provide such a home - within its own borders. We must end housing policies which are currently undermining the most basic element of local community resilience - our right to live in our own community.

### **Question 61 - How should we reform Housing Benefit?**

Housing Benefit should be redesigned as part of a combined approach to tax and benefits on housing - but organised at a local level. It should be universalised - be made transferable into a payment for mortgages - and linked to a tax on house or property values. Effectively housing policy requires a clearly redistributive policy, particularly as land is a finite good.

### **Question 62 - What changes could be made to bring down the cost of Housing Benefit whilst encouraging more private landlords to take tenants on Housing Benefit?**

This question starts with a false premise. Housing Benefit is an inevitable result of increasing inequity in home ownership combined with rising house prices and rents. Only a totally new approach to the right to have a home of your own will work.

### **Question 63 - Should Child Benefit be universal or means-tested? If means-tested, is the current system right?**

Child Benefit is a natural stepping stone for basic income. It should not be means-tested.

### **Question 64 - Should there be a limit on the number of children for whom you can receive child-related benefits? If so, what exemptions should apply?**

No. Elsewhere in Government people worry about the lack of young people. It seems perverse to be too worried when a few families have more than the average number of children.

### **Question 65 - Should the children of child-related benefit recipients have to reside in the UK?**

In general UBI shifts us to a policy of providing income security to any and all people living within the country. Clearly we may want to allow for natural movement outside the UK from

time to time. But it seems peculiar to fund people to live outside your own community unless this has been subject to a trade-off with other countries (e.g. we'll pay pensions to UK citizens living in France if you pay pensions to French citizens living in the UK).

### **Question 66 - How can we protect from poverty those on the lowest incomes who work?**

One of the benefits of a policy of UBI is that this issue becomes much less significant. People doing paid work will have a higher income than those not working. Minimum wage levels can still be set, although the case for these would certainly change.

### **Question 67 - Do tax credits achieve this or are there better ways, such as increasing the minimum wage?**

Tax credits, like UC, are a flawed policy based on a refusal to address the problem of the divorce between tax and benefits. Tax credits need to be integrated into a system of basic income.

### **Question 68 - Where should the balance lie between withdrawing benefits as income increases and ensuring there are strong financial incentives to earn more?**

We've never tried to provide any strong incentive other than the incentive to be free of the indignity of the benefit system itself. Basic income would reframe this question (even negative income tax would at least allow us to identify the extraordinarily high level of taxation of the poor in the current system and would thereby create a marginal improvement).

### **Question 69 - Should we means-test Winter Fuel Payments or Free TV Licences?**

These kinds of political gimmicks would be better integrated into an enhanced basic income level (which can still be adjusted for age).

### **Question 70 - Are there other ways we can reform pensioner benefits?**

We have no view on this matter.

### **Question 71 - What reforms should we advocate to the system of contracted out back-to-work support?**

All such systems should be ended as soon as possible.

### **Question 72 - How can we best provide appropriate support for those hardest to help, such as those with disabilities, mental health or addiction problems, the long term unemployed, or ex-offenders?**

Start with basic income and positive incentives and then allow local communities to develop solutions. Learn from what people themselves teach us about what works. Recognise and support the benefits of volunteering (Duffy, 2012b).



### **Question 73 - What changes could be made to the payment or incentive structures of contracted provision?**

All such systems should be ended as soon as possible.

### **Question 74 - Should there be a larger role for JCP staff in providing back to work support and how could this be integrated more effectively with other local services?**

We would recommend shifting the whole system over to local control and integrating JCP staff into a wider local strategy aimed at improving community life, education, work and care. It will be vital or such integration to eliminate the JCP role altogether and create something new as the current system is dreaded and loathed; it no longer has the trust of people.

The current system makes little sense and makes no use of the considerable skills already located in the local economy, in particular all those not working but who could volunteer, teach or help develop new businesses.

### **Question 75 - What more should be done to help former claimants or in work families receiving tax credits or UC progress once in work? Is it the government's role to do this?**

This question falsely assumes that Government has ever been effective at being helpful in this area. As noted above, the best routes out of unemployment have always been within local communities. Government contractors have all done a poor job in comparison and should be abandoned. Where the government could assist is by providing grants for local government to develop local schemes that would utilise the talents and skills of the community.

### **Question 76. If support is available to former claimants, should similar support be available for everyone in work, or at least those on a low income? If so, how would this be funded?**

See above.

### **Question 77 - How much financial support should be provided for childcare through the benefits system?**

As it stands the whole tax and benefit system is bad for families with children. Basic income would be a natural way of enabling people to get the right balance between caring, work and paying for assistance from others.

### **Question 78 - Should there be a limit on how many children are supported via childcare benefits?**

See above.

### **Question 79 - How can we simplify support for childcare?**

See above.

**Question 80 - What age should their youngest child reach before parents receiving benefits should start looking for work? What other circumstances, protections or support should this depend on?**

Basic income gets the state out of this silly interference in people's private lives. Good incentives are the first thing people need, until we've tried that any other proposals are red herrings.

**Question 81 - How should we support people with other costs of starting work or working more, such as transport, upfront costs, or loss of benefits? How might we make the transition out of benefits into work easier or less costly for claimants?**

Adopt a policy of basic income and basic income plus and watch all these issues disappear.

# Notes

## References

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## Other useful reading from Ekklesia includes:

On how working age welfare policy has been based on false assumptions about sick and disabled people. [LINK](#) and [LINK](#)

Regarding the level of spending on working age benefits for disabled people [LINK](#)

On conditionality, and benefit sanctions [LINK](#)

On the disability 'employment gap' and labour market realities for sick and disabled people [LINK](#) and [LINK](#)

On the importance of taking into account health inequalities, and inequalities in Healthy Life Expectancy when forming working-age welfare policy. [LINK](#)

On the need to abandon the totally discredited and disastrous Work Capability Assessment [LINK](#)

On the public's attitude to welfare spending, beyond the Daily Mail headlines [LINK](#)

Reforming welfare - moving beyond the austerity mentality [LINK](#)

## Contacts

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