

Social Protection: Task Group 3

Summary and Proposals

The full report of the task group can be found at

http://www.ucl.ac.uk/gheg/marmotreview/consultation/Social_protection_report

Task group members

Howard Glennerster (Chair), Jonathan Bradshaw, Ruth Lister, Olle Lundberg
Research support: Kay Withers and Jan Flaherty

Social protection and risks over the life course

The absence of a collective safety net for financial security has profound health consequences. For this reason, the generosity and coverage of established social protection systems and the way they are administered have important implications for a nation's health. The United Kingdom's is seriously deficient in many respects.

There is international evidence that the introduction of social protection has important and positive effects on health outcomes, even within societies that remain highly unequal in other respects. For example, the potential implications for child health are significant when government throws its weight behind a pro-poor family income strategy. But these policies need to be sustained. When government takes its foot off this policy accelerator family budget improvements cease and by implication their impact on children's health.

Targeting and selectivity

The design of social security matters. Targeting by income always creates problems. Some can be mitigated by the nature of targeting. There are other ways of prioritising those at most risk, for example responding adequately to the particular contingencies households face. Universal benefits can be the most effective way of reaching poorer families, and typically have very high levels of take up.

Gender and age

Women and men are exposed to different kinds of health risks. Women are particularly exposed to the mental health problems associated with poverty because of their role in handling the family budget and their caring responsibilities. Social protection policy has to be sensitive to their needs. The gender of those who receive financial support has an impact on the health of family members.

In terms of age, comparative analysis suggests that the basic citizenship component of social security schemes (i.e. the level of the minimum income guarantee) for all elderly citizens seems to be the element that matters most for their health.

How much is adequate

A natural question to ask is: are benefits adequate to support a healthy life? Currently, there is no rational basis for the levels of benefit that are supposed to protect UK citizens from financial risk. While some benefits approach adequacy others fall far short. A more reasoned and open process for benefit setting is needed. A budget standards approach, such as a minimum standard, gives us an initial way to discuss adequacy across the full range of social benefits in a way that ordinary people can engage in. But it has to be accompanied by an open discussion of the costs and possible trade offs.

In the setting of the minimum wage such a weighing of the evidence is regularly undertaken by a panel representing employer and employee interests. Nothing equivalent exists in the case of social security benefits. At present levels of benefit many more families with long term sick or disabled members will fall into poverty when measured in a way that takes into account the differential costs these conditions bring. Present approaches to determining financial need do not take account of the time costs of caring. They should. Methods now exist to enable that to be done.

Eligibility for and administration of social protection

Eligibility for, and administration of, benefits matters. Rules that apply to periods of incapacity to work, permitted work, 'linking rules' and other benefit complexities are difficult for anyone, even someone in good health, to understand. Staying out of work may easily become the preferred and rational option. Evidence suggests that there is scope for more positive relations between the health and social protection systems both helping people into work and in giving them access to benefits.

Similarly, making access to social protection difficult for certain groups (e.g. asylum seekers and other new entrants to the UK) is counterproductive and can endanger the health of the wider community. In particular, asylum seekers should be included in the standard system of income maintenance.

Conditionality and health

Evidence from the developing world about making social benefits conditional on healthy behaviour needs to be approached with caution. It is unclear how

far applying such conditions to cash grants changes behaviour and it carries the danger of producing perverse results.

Nearly a decade ago the public were convinced that the NHS lacked the resources it needed to provide prompt and high quality care. To raise social protection levels to anything near the standards necessary for greater equality in health outcomes will similarly require resources. This is likely to require either higher levels of employment or more tax (preferably within a more progressive tax system).

Proposals

- 1 A more reasoned and open process for benefit setting. An adequate minimum for healthy living should be the prime goal. (See Section 2.1)
- 2.1 Not using the coming financial crisis as an excuse to cut benefits in real terms
- 2.2 Meeting the child poverty targets; (See Section 1.3)
- 2.3 Keeping to the government's promise to raise the basic pension in line with earnings (See Section 1.3)
- 2.4 Increasing the role of child benefit in the benefit structure especially for 2nd and subsequent children (See Section 1.4)
- 2.5 Improving income support rates for young pregnant mothers (Section 6)
- 2.6 Meeting the full costs of long term illness, disability and caring (Section 2.4)
- 2.7 Including asylum seekers in the mainstream income support system. (Section 3.1)
- 3 Accepting that more tax resources (and a more progressive tax structure) will be needed in the long run to sustain existing benefit levels, given demographic change, and to fund the improvements we think necessary (Section 6)
- 4 A simplification of the benefit structure (Section 1.4, 3.2)

- 5 Ending the cliff edge distinction between 'in work' and 'out of work' benefits. Closer links between the health and social protection systems to assist those with long term conditions. (Section 3.2)
- 6 Considerable caution before making any benefits dependent on 'good health behaviour'. The results may well be perverse. (See Section 5)