

GENERAL SYNOD

Welfare Reform and the Church

A report from the Mission and Public Affairs Council

Welfare reform in today's political agenda

1. Changes to the welfare and benefit system are very much in the news. The effects are being felt, both by recipients and by those who work with them including clergy, parishioners and others who support social projects across the country. When welfare reform takes place against a larger political and economic context dominated by austerity and the problem of debt, concerns about some of the most vulnerable members of society who stand to lose become acute.
2. Two annexes to this paper, prepared by MPA with the Church Urban Fund, give a brief analysis of the changes being introduced by the Department for Work and Pensions, and examine their cumulative impact on low income households.
3. This paper examines some of the principles behind a welfare state and the balance between state provision and voluntary action. It draws on other recent and relevant Synod debates to put the welfare changes into a moral context. It concludes with a very brief note on the churches' response at different levels.
4. It is important to remember that the changes being introduced by the DWP are driven, in part, by a moral vision and not solely by the prospect of reducing public spending. Two objectives are being pursued here: the simplification of a complex system which embodied numerous perverse incentives and inconsistencies, and the fundamental belief that encouraging people into work is a very proper goal since it is through meaningful work that most people find self worth and contribute to community life.
5. These are goals which have very broad support, in the churches and beyond. However, moral goals can only be pursued through concrete policies which are always constrained by what is politically, economically and practically possible. And, the effective delivery of policies can be subject to numerous difficulties.
6. The Church of England published a major report on welfare in 1986 – *Not Just for the Poor* (the pun in the title was deliberate).¹ The report remains helpful, not least for presenting issues of welfare as policy dilemmas in which short and long term goals are hard to reconcile. But reading the report now shows how much has changed.

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Not Just for the Poor: Christian Perspectives on the Welfare State, Church House Publishing, 1986.

7. What was conceived as a national insurance scheme, largely to offer protection against unforeseen events or misfortunes and intended to build social solidarity, is evolving into a programme to prevent those at the bottom of an increasingly unequal society from falling into destitution. Changing family structures and an ageing population have created new problems and complexities. The link between National Insurance and the benefits due to contributors has largely been broken, although policy makers across the political spectrum are considering how a contributory element might be re-introduced in order to bolster support for the system.
8. Universal benefits, with the notable exception of pensions, have largely given way to benefits targeted at the most needy. This is regretted by some, on the grounds that it increases bureaucracy and diminishes the commitment of all citizens to the welfare system, but it has probably been inevitable as demands on the welfare structures have multiplied faster than people's willingness to finance them. But in all these changes and adjustments through the years, a single, widely supported, narrative about the purposes and principles of a welfare system have been muddled or lost.

The Church and the Welfare State

9. It has sometimes been observed that the Church of England has an instinctive sympathy for the principles underlying the Welfare State and, if this is true, it is worth asking why – and whether such a position is tenable today.
10. The church has, of course, been deeply involved in the provision of social welfare of various sorts for centuries. But the post-War period, when welfare structures were shaped by the famous Beveridge Report of 1942, sets a bench mark against which subsequent changes have often been assessed. Beveridge's thinking was deeply influenced by his lifelong association with Archbishop William Temple² who popularised the term "welfare state".³ Temple was seeking to answer a fundamental question: to what kind of state could the Christian give allegiance, given that Christians always bear ultimate allegiance to a higher authority than any state?⁴
11. Writing when democracy was threatened by the spectre of totalitarianism, Temple saw clearly that the Christian must reject what Hitler called the Power State – justified by its ability to project the aggression of its leaders. But, in the light of the Depression, he also rejected the *laissez faire* model. Instead, he concluded, Christians could give provisional allegiance to a state which set out to secure the welfare of its citizens. At a time of war, when many were called to die for their country, the settlement between the state and its people needed to be sufficiently reciprocal. A "welfare state" might do this in a way acceptable to Christian understandings.

² See: William Temple, *Christianity and Social Order*, Penguin, 1942,

³ Temple drew on the ideas of Alfred Zimmern and George Schuster, who first used the expression.

⁴ William Temple, *Citizen & Churchman*, Eyre & Spottiswoode, 1941.

12. Beveridge's report was a practical outworking of this theological position. Christians may continue to hold to the principle that a welfare state can command their allegiance without remaining wedded to every jot and tittle of the Beveridge report which was a tract for its time, not for all time.
13. Does that theological position hold today? Christians will always treat the earthly state as provisional, so should they not seek to minimise the role of the state across the board?⁵ But as the Catholic moral philosopher, Alasdair MacIntyre puts it, reducing the role of the state to the management of private contracts is "like being asked to die for the telephone company".⁶ A state which asks a lot of its citizens must reciprocate more adequately. That is not a justification for particular welfare policies. But it still justifies Christian support for the principle of a welfare state.

The state, voluntary action, and the fate of the Big Society

14. Beveridge also wrote a second, less well known, report entitled *Voluntary Action*.⁷ This reflected his concern that the state should not relieve individuals or communities of all responsibility of care for the vulnerable, the weak or the unfortunate. By the mid-20th century, social mobility and individualism had corroded the social bonds that would make local provision adequate on its own. Hence the need for the state to provide basic social security to relieve the fear of the "five great evils" of Want, Disease, Ignorance, Idleness and Squalor. But the impersonal state could not simply replace the structures of civil society and, alongside a welfare state, the regeneration of strong intermediate institutions and structures of voluntary action were essential.
15. This dilemma has direct relevance to our contemporary political context. Before and immediately after the 2010 General Election, much was made in Conservative circles of The Big Society. Those behind this idea sought to regenerate local communities as a way of rolling back the increasingly bureaucratic and impersonal state welfare provision. The Church, at many levels, strongly supported the Big Society principle.⁸
16. Three years on, we have seen very little of The Big Society in policy or practical terms. Instead, the voluntary sector is facing a pincer-like squeeze between declining income from giving (normal during a prolonged recession) and considerable cuts to government funding. There is very little to show for the church's strong support for a new settlement between the state and local voluntary action.

⁵ See the "Minimal State Theory" of Robert Nozick in his, *Anarchy, State and Utopia*, Blackwell, 1974.

⁶ Alasdair MacIntyre, "Poetry as Political Philosophy", in *Ethics and Politics*, CUP, 2006, p.163.

⁷ William Beveridge, *Voluntary Action: A report on methods of social advance*, G Allen & Unwin, 1948.

⁸ Synod debated The Big Society in November 2010 – see GS1804

17. The effective abandonment of the Big Society means that the philosophical foundations for a new settlement between the state and voluntarism have been lost. The current round of welfare reforms are seeking to change the relationship between the state and the citizen without the careful rebuilding of local structures that would have offered a real alternative to monolithic state provision.

Public perceptions of welfare

18. The majority of the “welfare” budget is spent on pensions. Successive governments have found it politically difficult to make serious savings on pensions, although the universal entitlement to certain benefits that go with age – bus passes, free TV licences etc. – may come under renewed scrutiny. Other universal benefits that remain are likely to be re-examined, as with Family Allowances. The public perception of “welfare” now focusses on benefits for those out of work, disabled, having large families or generally unable to support themselves above poverty levels.
19. The public debate has very quickly become one about the “deserving” and “undeserving” poor. Unemployment is seen less as a misfortune occasioned by the fluctuating economic cycle and more as a moral matter reflecting a person’s willingness to work. Government spokespersons have made political capital out of this, and the distinction between “strivers” and “scroungers” has entrenched harsh attitudes towards those whose benefits are being targeted for cuts.
20. But crude distinctions do not capture the complex reality. A large proportion of benefits and tax credits go to working families on low incomes (due to a combination of low pay, underemployment, lack of affordable childcare, and rising housing costs). Around half of all families with children will be entitled to Universal Credit. The Government is very conscious of this, which is why it is considering introducing ways to encourage low earners to work longer hours and seek higher paid jobs.

Fairness, generosity and sustainability

21. The Government faces particular problems in introducing welfare reforms at a time when reducing public expenditure is an over riding objective. When the Synod debated the financial crisis in 2009 (GS 1719) there was strong criticism of an economy based on debt and support for the long term objective of debt reduction.
22. GS 1719 set out three principles against which economic measures to reduce debt might be judged. They are entirely applicable to the cuts in welfare provision which are part of the Government’s austerity programme. Synod asked:

- **Is it fair?** Does it give priority to the vulnerable – the young struggling to enter the labour market, and the elderly living on fixed incomes; people in poverty both within Britain and globally?
 - **Is it generous?** Does it embody the obligation to give and share our resources with others, especially those less well off?
 - **Is it sustainable?** Have the medium and long-term implications been taken fully into account so that the interests of our children's and grandchildren's generations are factored in?
23. The question of **fairness** is always a problem in welfare economics. There is a tension between seeking simple and transparent systems and the tremendous variations between the circumstances of different people. The more straightforward the system, the less capacity it will have to reflect differing circumstances. But a system that is too complex to negotiate is likely to produce unfair outcomes by default.
24. Fairness also extends to the ways in which welfare is delivered. For example, the drive to return as many as possible to work has led to some disabled people being deemed fit for work on the basis of a very perfunctory assessment. There is evidence that some local offices have set targets for getting so many people a week off benefits, regardless of the nature of the cases before them. Bureaucratic systems make mistakes – but vulnerable people rely on the system delivering reliably and much hardship can ensue when things go wrong. Underfunding the delivery system can multiply errors.
25. The notion of **generosity** in welfare provision is always contentious. Indeed, it is a tension within Biblical ethics where the community is called (in both Old and New Testaments) to ensure the welfare of the widow, the orphan and the stranger, but where it is also recognised (as St Paul so succinctly put it) that a person who is not prepared to work should not expect to eat. Any system that protects the poor and vulnerable is open to the scandal of the free rider. But the Bible is also clear that this does not justify the neglect of those who require the community's support to survive.
26. **Sustainability** in welfare provision turns, not simply on economics but on social attitudes. The question of what “we” can afford depends upon who “we” are. Global migration has raised new questions about entitlement to the benefits of citizenship. With material inequality so great, the moral case for squeezing welfare recipients is harder to make when the very rich appear to be escaping recession largely unscathed.
27. The question of **welfare dependency** cannot be ignored. Whilst the existence of a welfare safety net can encourage people to take creative risks (for instance, leaving a secure job to set up a small business), it can sometimes diminish personal responsibility and detach actions from consequences. Creeping dependency is not sustainable if people are to flourish, although the actual extent of welfare dependency is disputed. The language of human sinfulness may make more sense of this dilemma than the language

of policy options. The tension between grace and the persistence of sin is not resolved this side of the eschaton.

28. A society which allows large numbers of its citizens to live in poverty is unlikely to be sustainable. We have seen, since the 1980s, how whole communities hit by economic contraction can sink into a kind of collective depression from which some, especially young men, seek to emerge through violence, gangs and other destructive (and self destructive) ways of life. The many stories of triumph and endurance in such adversity should not blind us to the fate of far too many people where hope is lost.
29. In hard times, people rely on their neighbours as much as on the state. But some welfare reforms, especially in the field of housing benefit, seem almost designed to destabilise people's relationships with their local communities. The "bedroom tax" (officially the "Spare Room Subsidy") and the cap to housing benefit are forcing people to move away from areas where they have roots and informal structures of support. In a more flexible housing market, this might not have been quite so disruptive, but the UK has a housing shortage and the housing stock is ill-designed to offer the flexibility of housing provision which these welfare reforms assume.
30. Overall, it is not easy to align the current round of welfare reforms with the principles which GS 1719 offered as a moral guide to economic reform in times of austerity.

The church's response

31. In March 2013, the *Daily Telegraph* carried a letter signed by 43 bishops drawing attention to the stresses and injustices brought about by the Government's changes to the welfare system and calling for amendments to the Welfare Benefits Up-rating Bill then passing through Parliament.⁹ Members of the Lords Spiritual contributed strongly to the debates on welfare in the House of Lords.
32. Christian charities are among those drawing attention to the "destitution, hardship and hunger on a large scale" which has ensued already from the cuts to welfare provision, and pointing to the numbers of people now reliant on foodbanks for sustenance.¹⁰
33. The contribution of Christians to hundreds of social action projects which alleviate poverty in many ways is considerable and cannot be adequately enumerated here. It is clear that without action by churches, the plight of many people would be insupportable. This action, part of our witness to the love of Christ and our pursuit of the common

⁹ Daily Telegraph, 10 May 2013.

¹⁰ *Walking the Breadline*, a report from charities including the Trussell Trust, Oxfam and Church Action on Poverty. May 2013.

good of all, is generously given – but those most involved know that it is not filling the gap left by the cuts to welfare provision.

34. Other funding cuts are severely hampering the work of numerous charities and volunteer schemes. Programmes of social care are under immense pressure as a result of local authority cuts. The gap between need “on the ground” and the capacity of voluntary action to respond is considerable – and widening.¹¹
35. Work such as the provision of foodbanks has brought out the best in many churches and local groups. A more balanced settlement between state and civil society is long overdue. But rebuilding a culture of voluntarism, community and local care cannot be made to happen merely by the state’s withdrawal from its obligations to the poorest.
36. We recognise that government is difficult, and the problems of welfare are a case study in the dilemmas of governing well. But the church’s commitment to a welfare state is not mere nostalgia. It is a theological judgement about what the state should be and should do for its citizens. Where the poor and vulnerable carry a disproportionate share of the burden created by the financial crisis, something is wrong.
37. The church is not equipped to offer detailed alternative policy options – but there is sometimes (to use an overworked term) a prophetic duty to point out that God’s priority for the poor and vulnerable is not being adequately reflected in the life of the nation. The generous willingness of churches to ameliorate the impact of welfare cuts has given them authority to comment publicly. Their work for the common good will continue as long as there is need. But it is far from a whole answer to the problem.

Philip Fletcher
Chair of Mission and Public Affairs
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¹¹ See, for example, the Church Urban Fund report, 'Holding on by a Shoestring', on the impact of spending cuts on faith-based voluntary groups in deprived areas.

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