

**BUILDING A CARING
ECONOMY**

**RENEWING
A WELFARE
STATE ADRIFT**

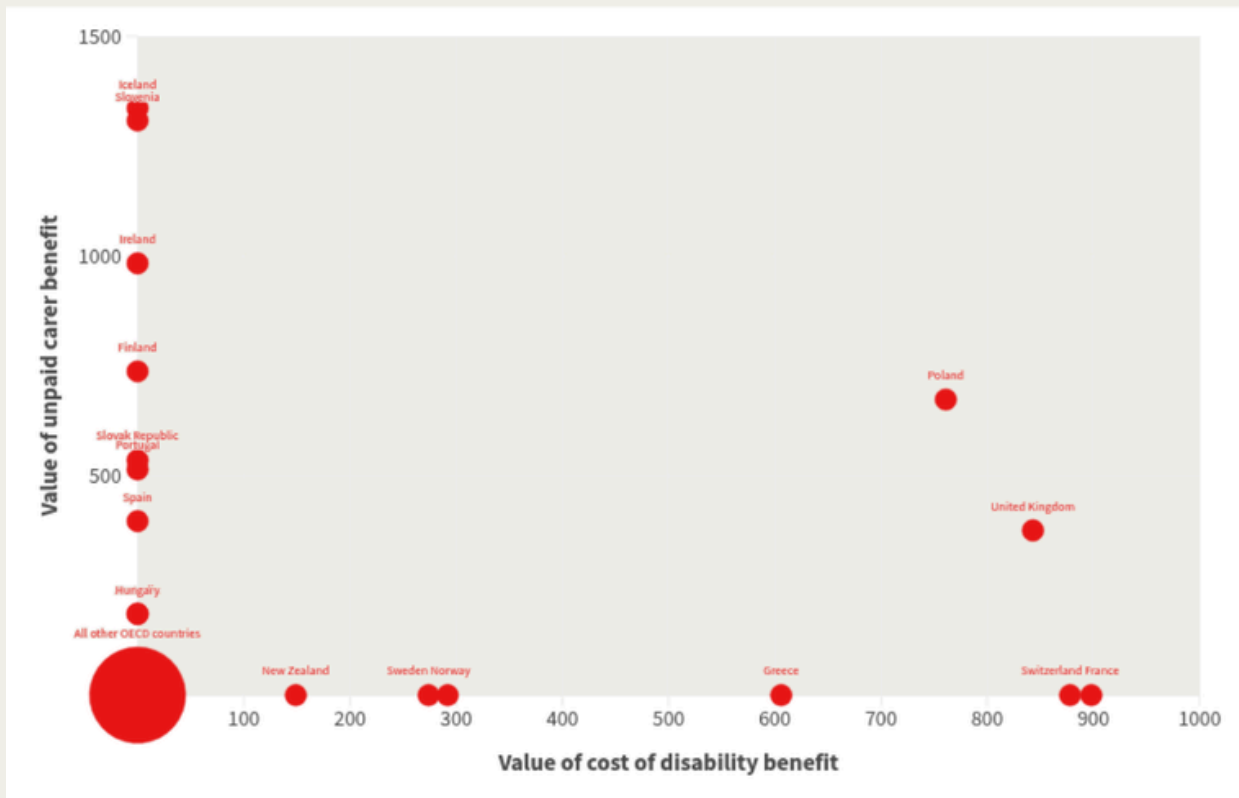
**CARE
FULL**

INTRODUCTION: A SYSTEM TO CELEBRATE

In the UK, the foundations of our social security system offer the starting point for a more ambitious model, one that actively enables us to care for ourselves and each other. But, to deliver a system that truly supports the wellbeing of our population we will need to commit to transformative change that resists the neoliberal economic status quo rather than enables it. In this paper we explore how principles of universality and care, as well as specific short term reforms within the current system, can move us towards a hopeful welfare state.

Across the OECD, only two countries offer both a payment to disabled people to support with the additional costs they face and a payment directly to unpaid carers. The UK is one of these. Whilst the UK's system has its shortcomings - as we will explore throughout this report - the existence of this infrastructure is something we should celebrate and build upon rather than continue to dismantle.

Figure: OECD nations cost of disability and unpaid carer benefit values



In recent years, this dismantling has been both practical and philosophical as the focus of political debate increasingly tends towards incentivising paid work. But paid work isn't the only thing we all contribute to society and such a focus obscures the important role care for ourselves and each other plays in our lives. For millions of unpaid carers, disabled people and others, paid work is not possible or appropriate but the system fails to recognise this.

Though decades old, the policy levers within the social security system in their inception acknowledged that we have, as a society, the tools to support those who face additional costs or financial hardship as a result of the things happening in their lives.

In fact, the system's very existence should be seen as an acknowledgement that the capitalist model we all live within excludes those who cannot participate in paid labour in the way that is expected of us. But these pillars are at risk of shrinking, not least in the wake of proposals last year to restrict eligibility to disability related benefits and the ongoing Timms Review designed to refine these recommendations.

There has been no shortage of writing on the future of the welfare state. The consensus, rightly, tends to be that the model we currently have needs a transformation in order to meet the needs of those it is designed to serve.

Poverty statistics in the UK act as damning evidence for this need; 44% of those in families in receipt of Universal Credit, 18% in receipt of disability benefits and 27% in receipt of Carers Allowance live in poverty. It is often claimed that work is the best way out of poverty, but that reality is the result of a political choice that chooses not to invest in our collective safety net. And that's before accepting that even this once accepted truth is waning with almost one in five people in the UK in work living in poverty.

In the UK, we are at an important moment to reverse this trend and create a more ambitious system. By investing in and improving our existing mechanisms of support, we can offer an alternative to our existing model that centres work and ultimately fails those who are unable to participate in paid labour, either because of care for themselves or others.

Achieving this will require us to:

invest in
our social
security
system, not
seek
further cuts



commit to the
system for the long
term rather than
offer short term
settlements to prop
the system up



expand the system to
ensure that everyone
who needs support
has access, not
restrict access

These ideas, in the time of Beveridge and the establishment of the welfare state, were once foundational, but now feel radical. We call on the government to reconsider their narrative on the welfare state and position it as an investment in all of us.

REAFFIRMING AMBITIOUS BEGINNINGS

If you're going to build a house, you need good foundations. The same can be said for a social security system. The UK's social security system was built on the then strong foundations of the Beveridge report; a blueprint for the welfare state in which the economist William Beveridge articulates his ambition to: "make want under any circumstances unnecessary". This foundation would enable a security system to tackle five "giants" of want, disease, ignorance, idleness and squalor and marked a crucial shift in the UK's approach to poverty and care. In its time, making this new system a foundational part of our society was particularly crucial after lives, homes and livelihoods were lost to World War Two.

Beveridge's plans were by no means perfect - for example the proposals included a lot of assumptions about women's roles in society and drew heavily on tiered levels of support - but they did set out something quite radical. For the first time the idea of social security underpinned by universal healthcare and a children's allowance (later family allowance) was proposed as an investment in the nation's citizens.

But, since its original inception little has been done to reconsider and reaffirm the foundation of social security with a 21st century society in mind. Instead progress has focused on incrementally changing benefits, responding to case law, and, in an era of austerity, focus on reduction and access to work. Without clarity on what purpose our social security system serves, what we're left with is ridden with inadequacies and a failure to provide a liveable income or meet the fundamental needs of many people's lives.

POSITIONING THE UK AS A GLOBAL LEADER

The UK has the infrastructure for a system that goes beyond defining us in relation to our work and responds to our individual needs and circumstances; namely systems to support unpaid carers, disabled people, parents and others with both daily living costs and the additional costs that come with their lived experience.

This foundation gives the UK the potential to build a more progressive and expansive offering to comparable nations. But this potential is currently unmet and, worse, over time the purpose of many models have become more narrowly defined for those considered most in need.

The debate around Personal Independence Payment (PIP) and the Welfare Reform Bill in 2025 is a prime example of this. PIP is designed to support people living with long-term health conditions or disabilities with the additional costs they face. It is not means-tested, nor is there any conditionality relating to income or engagement in paid work. The subsequently shelved reforms proposed increasing the threshold for accessing the benefit and therefore would narrow eligibility.

Though ultimately placed aside, these interventions have had a lasting impact on the framing of benefits like PIP within our economy. Throughout the debate, PIP was placed in dialogue with paid work. The then Secretary of State for Work and Pensions, Liz Kendall, stated that the 'plans [would] create a fairer society in which people who can work get the help they need, and where we protect those who cannot'. But PIP eligibility is independent from work, and conflating access to the benefit with access to employment undermines the foundations of the benefit.

Most countries do not have a benefit like PIP, a benefit which responds to an understanding that we live in an ableist economy. Our analysis of OECD countries found that just six countries outside the UK - Estonia, Finland, Greece, Poland, Sweden and Switzerland - have a comparable benefit that offers payments to support with the additional cost of living without income or work conditions. And, in addition, the UK has a more generous level of payment than these six countries. Together, this model forms the basis of something that the UK should be proud of, not something it should seek to minimise.

Beyond disability related benefits, Carers' Allowance is available to those who provide unpaid care to someone in their lives. It requires an individual to be providing the equivalent of full-time hours of care (35 per week) and could be viewed as the starting point of a system that values our unpaid labour.

But again this is a benefit which leaves us longing. Carers Allowance provides only £86.45 a week in payment - equivalent to less than £3 an hour. It is not enough to live on, but those caring at this intensity might also struggle to find part or full time work that meets their needs. It's no surprise that unpaid carers experience poverty at higher rates than the general population.

The situation is made more complex by an income threshold that leaves those earning more than £204 a week losing their entire allowance. Even on the government's own terms of incentivising work this is a major flaw, and beyond this it hampers an unpaid carer's autonomy over their income.

Yet again the UK is in a relatively unique position compared to the wider OECD nations when it comes to supporting this group. The UK is just one of ten that offer a benefit that directly provides income to unpaid carers and, though it is not the highest value, it is one of even fewer which come without time limitations. Some other nations provide payments to disabled people which they can choose to pass on to unpaid carers that support them, but this is a slightly different framing that exchanges labour for payment rather than the state providing a foundational support for those who care.

Together, PIP and Carers Allowance have unfulfilled potential as a truly progressive mechanism but offer a solid foundation to build on. Their combined unique position within the OECD - only two countries including the UK offer both types of benefit within their social security systems - should be viewed as a leading offering which could go further to show how our collective resources can support us all.

21st CENTURY PRINCIPLES FOR A CARING SOCIAL SECURITY SYSTEM

Within the complexity of the welfare state, there is no one way forward to improve the system. But an important first step is to identify the principles of the system that should underpin any transformation. We identify three human-centred principles which aim to recentre a system around using our shared resources to support our collective wellbeing over more abstract concepts of productivity and economic value.

Enabling care for ourselves and each other

Care for ourselves and each other happens when we have access to the resources - time, money and connections - that we need to live well. The social security system is uniquely placed to provide that foundation to all people, with paid work supplementing or replacing those resources for those who are able to participate in it. This means going beyond prioritising abstract economic metrics with the view that the individual and household benefits will trickle down.

Embracing complexity in our lives

Our economic model often oversimplifies our lives and reduces us to our productivity. But in reality our lives are a blend of paid and unpaid labour, including care of all kinds. Our wider society are complex; unpaid care might not come with a direct financial remuneration but the acts we give all support life and have secondary economic impacts too. Any social security system needs to accept this complexity and avoid binary framings and in built thresholds which mean people lose out when they aren't able to conform.

Ensuring everyone has the means to live

The UK is one of the richest nations in the world but inequality still ravages our society. The 50 richest families in the country hold more wealth than 50% of the population. Our social security system - paired with a progressive taxation system - is a tool in redistributing wealth and ensuring that our collective resources are put towards ensuring everyone has the means to live. In fact, providing this minimum standard should be a central principle of the system.

RECOMMENDATIONS FOR NOW AND THE FUTURE

New narratives

It is in all our interest to celebrate and grow the pillars of our welfare state that show our humanity and solidarity with others. An essential step towards change is to stop repositioning welfare solely in relation to paid work and instead to value the different types of labour and activities that make up a good life. Our politicians and media have a powerful role to play in this, but so do those seeking to influence change. A system that enables us all is possible and worth our attention. At Care Full we believe that there is power in a narrative of care solidarity, the idea that we all have care in our lives and should support each other to overcome the systemic barriers to care in our economy.

Government, campaigners and commentators must:

- Affirm our commitment to a social security system that supports people no matter what their relationship with paid work and disentangle an individual's worth and worthiness from their relationship with employment
- Talk about the benefits to individuals and society that come when we invest in our social security system and use this framing of investment over the framing of a simplistic cost
- Critique the austerity mindset that has caused successive governments to try to minimise the social security system and talk instead about progressive ways to raise public money.

Enhanced individual benefits

Any new narrative should support tangible action to ensure our social security system prevents poverty, not enables it. This means committing to a minimum income floor within the welfare state and would require changes across a range of benefits. JRF's Essentials Guarantee is one such mechanism to ensure people are not left destitute simply because they draw income from the social security system. The policy recommends that within Universal Credit there should be a benchmarked minimum level of income to meet basic needs. Change should also be made to ensure that no one loses out when taking on work and that those who need support can access it.

To achieve this, as a priority, government must:

- Increase levels of payment across all benefits within the social security system to meet the Essentials Guarantee, an independently determined level of income which enables everyone to meet their essential costs
- In the short term introduce a taper to Carers' Allowance - informed by the Universal Credit taper - to ensure that taking on more doesn't cost the individual and explore the possibility of removing thresholds relating to paid work altogether
- Improve the PIP assessment process to enable indefinite awards for progressive and lifelong conditions, to increase the use of documented evidence from medical teams and to better account for fluctuating conditions to ensure that those in need of support are able to access it

A universal basic income

In the longer term, a simplified and universal system would ensure that everyone who needs support, regardless of their circumstances, is able to access it when they need to. A universal basic income model would bring together the compartmentalised benefits within our existing system towards a single system (with additional support for those with additional costs including disabled people) where work conditionality comes second to ensuring no one goes without.

There is lots to learn from other countries and experiments within the UK that offer models that could be developed into a fit for purpose model. In the UK basic income experiments are being undertaken with care leavers and farm workers and in Ireland with artists. India's cash transfers to women is probably one of the largest of these pilots, it reaches millions of women. The evidence base in support of these interventions is growing but without wider investment and a shift in our economic model the issue of cost quickly raises its head.

In all cases a basic income model would need to be underpinned by a shift to a progressive tax system that recognises the potential of such a policy to redistribute unfair wealth inequalities that are enabled by our current system.

ABOUT CARE FULL

Care Full has a vision of social and economic systems that centre care - in all its forms - by design. We understand this will require transformative change that engages with the root causes of marginalising care in our economy. Our role is to drive forward that change; building essential evidence, catalysing a movement of solidarity and shifting narratives towards a more expansive and collective understanding of care.