



The Benefit of Welfare: What Might a New Beveridge Report Look Like?

A sermon by Revd Dr Sam Wells

Readings: Deuteronomy 10:12-22; Acts 2:42-7

Undergraduate life and the ministerial training known as theological college are two self-absorbed, self-important, and self-contained worlds. I waited a year in the 1980s between leaving one and entering the other. I spent that year on the dole. I wanted to live in the poorest part of the country, and to discover what church and society, mission and ministry meant there. I got involved in a lot of projects that today we might call community organising. But the most important thing I did, looking back, was to sign on – to receive housing benefit and social security. For 15 months I was among those who queued up to say, once a fortnight, ‘I’m useless, I’m jobless, I’m a burden – and most of the country would rather I didn’t exist.’

The idea that people in need should be the responsibility not just of their wider families, not simply of their local neighbourhoods, not only of churches and those who make their compassion publicly known, but of the state, is a relatively recent one. The problems people identify in the welfare state today rehearse all the reasons why its adoption was so long delayed: it’s expensive, it’s impersonal, and, to the extent that it discourages thrift and diligence and encourages dishonesty and indolence, it’s counterproductive.

It took one great push and a captivating idea to create the welfare state. In the aftermath of the hungry thirties, and amid the sacrifices of war, William Beveridge identified what he called the five great evils that a reform of social insurance would seek to eradicate. They were Want, Idleness, Ignorance, Disease, and Squalor. What Beveridge was aiming for was what he called ‘co-operation between the State and the individual.’

From the outset the Church of England fell in love with the welfare state. Archbishop William Temple said of his friend William Beveridge’s report that it was ‘the first time anyone had set out to embody the whole spirit of the Christian ethic in an Act of Parliament.’ The welfare state was extraordinarily popular at its foundation, and has remained so for most of its life. When, at the opening ceremony for the London 2012 Olympics, the National Health Service was portrayed as the climax of British history, it came as a surprise, but nonetheless struck a chord. It indicated how crucial a role the welfare state has played in Britain’s sense of itself as a place where no one falls utterly through the safety-net, and how, for the most part, Beveridge’s most basic aims have indeed been met.

By this I mean that while economic inequality is much greater than it was 70 years ago, 1940s-scale *want* is rare. Likewise while unemployment is high and low-paid, unrewarding jobs are widespread, the swathes of *idleness* that Beveridge witnessed in the Great Depression have not been repeated. Again, in relation to *ignorance*, we have a real issue in our generation with one million young people not in education, employment and training, and inequality skews opportunity for far too many; but the levels of educational attainment are way beyond the imagination of Rab Butler, whose 1944 Education Act coincided with the Beveridge reforms. As to *disease*, the National Health Service is not well-equipped to address chronic complaints such as heart disease or depression, the increasing isolation of elderly people lies beyond the scope of medical solutions, and the idea that healthcare would get cheaper as people got healthier now seems an absurd pipedream; yet the health of the nation is immeasurably stronger and people live significantly longer than they did in

the 1940s. Lastly, as regards squalor, Britain remains critically short of housing, and homelessness, crime and drug addiction are significant; but in general the living conditions of the nation are immeasurably more comfortable than those our great-grandparents knew.

So why has Britain fallen out of love with the welfare state? The reason is I believe that the system of benefits is based on two things we all want to do and assumes one thing we all have to do. The problem is we can't do all three of these things simultaneously, and social changes have made that more glaringly obvious than it was in 1942. Let me explain.

The first thing we all want to do is to target resources to those in most need. When you meet a family that's been made homeless or you have a friend who's debilitated by chronic illness, you think, 'This is exactly what the welfare state is all about.' But there's a number of problems with this. One is that working out and proving who's in most need is a complex and laborious business. A big reason our Vicar's Relief Fund is in such great demand is that while civil servants are trying to establish whether people's needs are genuine those people can sink without trace. This is the territory of means-testing. Means-testing sounds like it's fair and reasonable and economic, but in practice it becomes a discouragement to working long hours and a disincentive to being honest about your resources. The benefit culture becomes an inverse beauty parade where you hide your assets and steer away from getting on the ladder of work because at the outset that work may be underpaid. Another problem with targeting those most in need is that it exacerbates a culture of dependence. Populist politicians like to talk about balancing the stick with the carrot and tend to distinguish between the deserving and undeserving poor. But that rather misses the point. The point is that if you know a safety net is there to catch you, you're more likely to walk across a tightrope. But walking across a tightrope is actually a dangerous thing to do. By providing a safety net the state demotivates people from making prudent and far-sighted provision for themselves, and from avoiding situations or life-choices that place them on a tightrope. The paradoxical result is that the larger and stronger the safety net is, the more it's likely to be needed.

And that brings me to the second thing we all want to do, which is incentivise and reward all the values the Victorians held dear – working, caring, saving, and honesty. This was Beveridge's central concern. The crucial words in the 1942 report were his insistence that the state 'should not stifle incentive, opportunity, responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family.' In Galatians 6 Paul says, 'Bear one another's burdens, and in this way you will fulfill the law of Christ.' This is the first principle of the welfare state. But just three verses later, Paul says, 'All must carry their own loads.' This is the second principle. The trouble is it somewhat contradicts the first principle, in theory and in practice.

The key to this second area is the Victorian word thrift. Life has many rainy days, and the wise thing to do is to save up for them. Saving up for them is such a good thing to do it makes sense for the state to encourage the practice, and quite probably for employers to encourage the practice too, by investing in a scheme that can bail people out when they get in trouble and can continue to benefit them in retirement. This is the logic of contributory insurance. The trouble is that this changes the nature of the state from a hospital that cares for you indiscriminately when you're wounded to a bank that you expect to reward you with interest for what you've put in. It turns a population of citizens into an association of consumers. It's psychologically powerful and democratically attractive because it affirms that the welfare state is for everyone and so it highlights one of the most primal values in our nature: fairness. But life isn't fair. The whole starting-point of the welfare state is that we want to live in a society where those whose lives go terribly (and especially economically) wrong don't drown by falling through the net. To go through your whole life working hard and paying taxes while your neighbour with chronic problems and terrible luck pays no taxes and receives a tide of benefits may not be fair; but it may still be just, and the likelihood is you'd rather be in your own shoes than theirs.

Despite the anomalies and inconsistencies of these two desires, British government policy managed until relatively recently to keep them both more or less in harness and still leave the public proud of the system they embodied. But there's an inbuilt flaw. Advances in clinical medicine mean a huge swathe of the national budget goes on more and more sophisticated kinds of healthcare; and greater public health means people live much longer and spend an enormously increased proportion of their life drawing a pension rather than earning a wage. All of that still roughly holds together until economic stagnation and unemployment reduce the number of people paying taxes and increase the number relying on benefits. And that brings us to the one thing our welfare system needs to do, and that is to pay for itself. The early abandonment of contributory insurance in favour of means-testing created a situation where benefits were paying out more than they were receiving. The result is that, whereas originally social security payments constituted 10% of the national budget, today they have risen to 30%. Instead of covering this cost by raising taxes, governments have borrowed. Today the deficit is so large that servicing it costs as much as the state spends on education. The conclusion is simple: we can't afford to harness the two anomalous commitments of the welfare state any longer. The sick, the unemployed, the low-paid and the elderly are as needy as ever: but meeting those needs is bankrupting the whole nation.

What might the church think and what should the church do? It's clearly not enough just to complain every time the government tinkers with the benefits system. It's more appropriate to recognise that in celebrating the welfare state the church has affirmed our moral need as a nation to care for one another. But it has underwritten an assumption that the majority of that care can be subcontracted to the state. In theory that should make that care more systematic, comprehensive, and effective. But in practice it enhances a culture in which our primary connection to each another is economic and in which our bonds with one another are ones of utility rather than of trust and tenderness. We are entitled strangers rather than grateful comrades.

It's time for a new configuration of business, voluntary sector, claimant, wider society and state engagement with poverty and need. I can't hope tonight to prescribe a plan or budget for welfare reform and I'm not sure it's the church's place to do so. Instead I want to revise William Beveridge's original vision. Rather than identifying the five evils of Want, Idleness, Ignorance, Disease, and Squalor, I'd like to approach the issues from the opposite end, and briefly articulate five goals of social care. So here are my five goals.

Number one is relationship. We've come to believe justice means equipping everyone to stand on their own two feet as isolated individuals. But the kingdom of God is not like that. It is about communal relations of mutual interdependence. It's about reciprocal patterns in which you read to me in my blindness and I listen to you in your despair. The human predicament is fundamentally not so much about the limitations of our circumstances or the shortage of resources but about our isolation from one another and from God. The welfare state cannot heal the profound wounds in our lives made by the breakdown or absence of companionship, trust, healthy reliance on one another and practices of kindness. Faceless bureaucracy can never supply what only human touch and genuine encounter can offer. This is where the work of the church principally lies.

Number two is creativity. To be fully alive, each one of us needs to be making, crafting, planning, shaping. The tragedy of unemployment is not just the lack of income or the loss of the camaraderie of the workplace, but most of all the stifling of fertile imagination and the suppression of healthy energy. The human body was created to make things and the human mind to envision things and a welfare benefit alone cannot provide these most basic constituents of existence.

Number three is partnership. Whereas relationship is interaction for its own sake, partnership is collaboration for a common goal. This is where dignity emerges, as each person's contribution is valued, and where diversity is enshrined, since it takes all kinds of people to achieve a larger aim. To

be alone is to be isolated, to be in relationship is to be loved, but to be a member of a team is a thrilling experience of becoming more than yourself and of a group discovering it can be greater than the sum of its parts. Central to human experience is the discovery that challenge and setback unlock hidden gifts and create new partnerships. The answer to adversity can never simply be a monetary concession – life begins when we turn trials into opportunities and when we make adversity a training ground for character.

Number four is compassion. However fulfilled our life is, it meets its true end when we are in solidarity with those less fortunate. The centre of the Christian faith is that God wants to be in relationship with us and is not put off by our fragility and fecklessness. In Christ God's whole life is shaped to fulfil and redeem this relationship. Thus our encounters with poverty are not the reluctant exercise of our grudging duty but the entry-point to an interface with the incarnate Jesus and the stepping-off point to the meeting of our own unnamed, unrecognised but nonetheless deep-seated need. Everyone knows someone facing even greater adversity than themselves and coming into relationship with disadvantaged people is something whatever system we have should be looking to facilitate rather than to abolish. Welfare cannot simply be regarded as the management and eradication of need, because need is the single most poignant place of our encounter with God.

And finally, number five: joy. There's no use handwringing and despairing that our nation can no longer afford the blanket of well-intentioned anomalies, compromises and inconsistencies we call the welfare state. We can focus on scarcities all we like but the secret of happiness and the key to the kingdom is to enjoy the things that God gives us in plenty. Life is full of structural injustice and inherited unfairness and circumstantial inequality. But while the church works and walks with people to address and endure such things, it also proclaims a peace that passes understanding, a joy found in Jesus's desiring, and a love that never lets us go. Archbishop Temple may have been right that Beveridge sought to embody the spirit of Christianity in an Act of Parliament, but the truth is Christianity can't be legislated, it can only be lived, and if we concentrate too much on what the state should do through welfare we can lose sight of what welfare can never do.

The days when the church could subcontract its conscience to the government may be coming to an end. The days when the church resumes its constant quest to see the face of Christ in the poor and to base its work and worship there may be about to begin again.