Rebuilding our institutions: Social security for the future

Rachel Reeves MP and Nick Garland

Three recent books engage with the challenges of building institutions that can deliver real social security and empower people as workers and citizens. Relationality and localism will be key to this, but we must not lose sight of the need for a strong central state too.

Chris Renwick, *Bread for all: The origins of the welfare state*, Allen Lane, 2017.

Hilary Cottam, *Radical help: How we can remake the relationships between us and revolutionise the welfare state*, Virago, 2018.

Virginia Doellgast, Nathan Lillie, and Valeria Pulignano, eds., *Reconstructing solidarity: Labour unions, precarious work, and the politics of institutional change in Europe*, Oxford University Press, 2018.

We live in precarious times. From the much-publicised employment practices of the new platform giants to the social care sector, the growth of precarious and exploitative work is never far from the headlines. Precarious work translates into precarious lives. Household debt continues to rise towards pre-financial crisis levels, and new forms of short-term, high-cost credit have proliferated. Indebtedness and insecurity feed into our growing mental health crisis.[1] At the national level, after a decade of sluggish growth dependent on soaring personal debt, Britain's economic model increasingly seems to have run its course. Reflecting all of this, our electoral

system has not produced a single-party Government with a stable majority for thirteen years. Global and domestic political instability is coming to be accepted as a new norm.

Are the institutions which should be addressing these problems – our welfare state, most of all – equipped for providing the security and power which working people need in precarious times? As has been noted within the pages of *Renewal*, an 'institutional turn' is taking place in politics.[2] On the Left, this must in large part be understood as a reaction against the impermanence of many of New Labour's achievements. The last Labour Government too readily accepted the rules of the game, while compensating the losers through a centralised programme of redistribution. Many of the gains made between 1997 and 2010 were vulnerable once growth slowed and the Conservatives returned to office. As Ben Jackson recently argued, Labour must escape the 'cycle ... of Tory cuts followed by Labour spending followed by more Tory cuts.'[3] An institutional approach – focused on entrenching incentives towards responsible behaviour in, for instance, structures of corporate governance, and in supporting the flourishing of strong autonomous institutions – is increasingly seen as the solution. In different ways, three recent books engage with the challenges of institution-building.

Chris Renwick's *Bread for all* offers a highly readable account of the evolution of the ideas which eventually underlaid the creation of the post-war welfare state. Renwick surveys various currents among Britain's intellectual and political classes which led to the acceptance of a more interventionist state, universal services, and social insurance. Rightly, he stresses not one transformational individual or event – depression, war or election – but rather, the gradual 'maturing of a particular set of ideas about the relationship between individuals and the state, not to mention the state and the economy, which had been developing for more than a hundred years'.[4]

Renwick's book speaks to the extraordinary capacity of British liberalism (small and, for a period, large L) to absorb ideas and impulses separate to it, including those challenging its most basic premises. This included not just progressive or egalitarian ideas, critical of the unjust outcomes of unfettered markets, but dangerous ideas like eugenics. In Beveridge and Keynes, Liberalism played an outsized role in shaping Britain's welfare state, which concentrated substantial power in the hands of men like Beveridge and Keynes themselves.

Renwick's narrative predominantly focuses on elite opinion, but perhaps more could be said of the different intellectual currents with which those largely liberal policymaking elites interacted. There is little in the book discussing those strands of socialism – far more popular than Fabianism – which were ethical or religious in character. In figures like Clement Attlee and R.H. Tawney, too, there is much to be said about the interplay between ideas associated with liberalism, and those shaped by ethical socialism and the distinctive religious character of the British labour

movement.[5] Moreover, while Renwick's story makes clear the central role of women – such as Beatrice Webb and Eleanor Rathbone – in the debates that led to the welfare state's construction, it might have benefited from further reflection on the gendered aspect of a network of institutions rooted in a traditional conception of the family based around the male breadwinner.

Renwick illuminates the tensions about the welfare state's purpose that preceded its creation and endure today. One is that between its role as safety net, and as provider of something more: independence, or the capacity for human flourishing. This was evident in, for instance, the campaign for a family allowance, and both ideas were brought together in Eleanor Rathbone's belief in 'the idea of treating each family as though every man, woman and child in it had a separate stomach to be filled, back to be clothed, individuality to be developed and respected'.[6] Another fault-line, and one of the most interesting threads running through Renwick's book, is the opposition between localist voluntarism and centralised state provision, and the eventual triumph of the latter. From debates around the first Poor Law Commission of 1832 onwards, these tensions posed crucial questions for reformers, social investigators and political actors.[7] Within the lifetime of the first Attlee Government, both Michael Young – author of Labour's 1945 manifesto – and Beveridge himself produced texts contending that the welfare state had centralised power and sapped capacity for self-help or grassroots action.[8]

These issues still present some of the core dilemmas for any political party aspiring to offer an alternative to market fundamentalism. Can the right balance be found between state, civil society and market? As the postwar consensus collapsed in the years following 1968, thinkers, politicians and activists sought to remodel the social-democratic state to incorporate popular demands for people to have greater control over their lives, public services, workplaces and communities.[9] Within government itself, and from the centre to the radical left, there was a strong impetus towards exactly this model of reform.[10] The 1979 General Election instead ensured a radical shift of power away from the institutions which could serve as a vehicle for these demands, notably trade unions and local authorities, towards the market. Ever greater proportions of Britain's wealth shifted from labour to capital. The state's focus moved from direct interventions in the market, to compensating for its shortcomings at great expense – in the form, for instance, of Housing Benefit – and policing the losers of the neoliberal revolution.

Hilary Cottam's *Radical help* owes much to those earlier debates. Cottam's book is dedicated to the memory of Robin Murray, the radical economist (and a soixante-huiteur himself), and his influence is evident. In two extraordinary essays for *Marxism Today* in the 1980s, Murray explored how changing modes of production – from the Fordist, mass production model based around economies of scale, to 'flexible specialisation' – interplayed with changing social mores and rendered

top-down, centralist politics ill-suited to the 'New Times'. The state's role would be redefined, to that of 'innovator, coordinator and supporter of producers'; public services would shift 'from the universal to the differentiated service'; the new watchwords for Britain's institutions and services would be 'user-control and internal democracy'.[11]

In this vein, Cottam argues that 'our tax systems, our welfare organisations, our frameworks for negotiating pay and working conditions, and our tools for analysis of everything from productivity levels to the numbers adequately employed are all rooted in industrial models and concepts that are unable to see, much less address' the problems of a (post-)modern economy. New social challenges – aging, epidemics of loneliness and mental illness, the changing nature of work – call for a new 'relational' model of welfare. This model is based upon human relationships and how they can foster capabilities and create change. As Cottam argues, not only were 'relationships ... allowed no place in the welfare state' from the moment of its creation, but the impact of the New Public Management – another legacy of Thatcherism – has seen 'a reform process that has centred on management and control that has further limited the possibility of human connection within existing systems'. The welfare state has come to concentrate 'on the efficient delivery of inputs and outcomes, trapping us in the cultures and mechanisms of transaction and limiting human connection'.[12]

Cottam tells a series of beautifully illustrated and often moving stories of the individuals she has worked with – from Ella, whose family attracted attention from twenty different agencies and service departments, to Stan, in his nineties, lonely and physically frail, but with a huge passion for the music he loved as a child. These bring to life not only the people let down by our welfare state, but also her own work as a social entrepreneur, pioneering innovative forms of welfare and support, often on a shoe-string budget.[13] In each instance, she and her colleagues designed systems which brought people together and developed their capabilities, whether they were looking for a dream job that seemed out of reach or companionship. With huge numbers of welfare professionals coming into contact with individual families, committing the vast majority of their time to administration – serving systems rather than people – Cottam proposed a 'radical inversion': allowing the families in question to choose a smaller number of workers assigned to them, who were given the freedom to focus on the family first and system second.[14] The designs are ingenious and the results, for the individuals involved, clearly powerful.

For Cottam, the question is not one of how to 'scale-up' her solutions, but of how to create the conditions for growth.[15] This is a profound challenge and goes against many policymakers' natural inclinations. However, it chimes with a moment in which some local authorities, under the pressure of austerity, have shown an admirable willingness to experiment – from Preston City Council's strategy for

33

community wealth-building, to Hammersmith's new industrial strategy, and Leeds City Council's Neighbourhood Networks, supporting the independence and wellbeing of older people. A lesson Labour can learn from these and from Cottam's work is the importance of utilising the resources that already exist in communities up and down the country.

The relationship between the state and civil society is also central to *Reconstructing Solidarity*, an edited collection examining precarious work and the trade union movement.[16] The book draws on a fascinating range of case studies from the Danish-German slaughterhouse industry, to freelance musicians in Slovenia, to outsourcing in local government in Britain, France and Germany. The absence of a discussion of the new platform giants like Uber and Deliveroo is perhaps an omission, especially given the wealth of new initiatives designed to strengthen workers' position within the platform economy.[17] The editors offer a framework for understanding precarious work's proliferation, and emphasise the role of strong welfare institutions, state regulation and trade unions in creating a 'virtuous circle' able to prevent spiralling precarity within the economy. More inclusive forms of welfare provision, legislation and labour solidarity are key to denying the 'exit options' – subcontracting, offshoring, or the employment of precarious (often migrant) workforces – used by employers to keep down the costs associated with decent working conditions and wages.[18]

The authors demonstrate how the withdrawal of the state opens up exit options and allows the undercutting of workers' wages, impacting better-off workers as well as those at the bottom. A chapter on union strategies towards organising migrant workers highlights the potential of unions working in partnership with civil society organisations and supported by state resources.[19] Another, on the impact of outsourcing on public sector workers, shows the way in which the centralised nature of the British state served both to deepen the damage done to local authorities by austerity, and to restrict their capacity to respond to it.[20] The collapse of Carillion embodied the enormous cost of an outsourcing regime which has privileged companies' competence at financial engineering over their capacity and commitment to ensuring security and specialist training for their workforce.[21]

What, then, are the lessons for those trying to construct a new institutional settlement for Britain? One is that it is not a question of individual policy leadership: the permeation of ideas, and the development of alternative models of welfare and collective action, at all levels of society, are essential. The process of reimagining our welfare state and forging a new, empowering relationship between the state, individuals and communities has been the task of half a century already.

But it is also clear that we do need more of the state. The central flaw of Murray's post-Fordism thesis was that the passing of Fordism was only ever partial: flexible specialisation never fully displaced the various alternative modes of productive and

consumptive relationship which coexist alongside it.[22] Likewise – as Doellgast, Lillie and Pulignano demonstrate – problems endure that do require the power of the central state, which needs more money, more capacity to do things, more power to act as a countervailing force to globalised capital. The question is how should a Labour Government use the resources and power at its disposal? How can the state best build up autonomous institutions while serving as a check on the power of markets and corporate interests – and critically, how can it ensure these institutions could survive a hostile government of the future? How can we build the institutions for life-long learning to allow workers to develop the caring, artisanal and technological skills and knowledge which will come to the fore in the changing job market? Many of the challenges may appear new. Globalisation and automation appear in different forms and may pose graver challenges than they have in the past. But many of the questions facing us today are exactly those which have defined the long history of radical politics.

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Notes

1   C. Thorley and W. Cook, *Flexibility for Who? Millennials and mental health in the modern labour market*, London, IPPR, 2017; W. Davies, J. Montgomerie and S. Wallin*, Financial melancholia: Mental health and indebtedness*, London, Goldsmiths Political Economy Research Centre, 2015.

2   J. Guinan and M. O'Neill, 'The institutional turn: Labour's new political economy', *Renewal*, 26.2, 2018; F. Sutcliffe-Braithwaite and D. Chandler, 'The institutional turn: The left's next political economy', unpublished paper, 2018.

3   B. Jackson, 'Learning from New Labour', *Political Quarterly*, 19.1, 2018, pp.3-4.

4   C. Renwick, *Bread for all. The origins of the welfare state*, London, Allen Lane, 2017, pp.264-5.

5   See, for instance, J. Bew, *Citizen Clem*, London, Riverrun, 2016; L. Goldman, *The life of RH Tawney: History and socialism*, London, Bloomsbury, 2014.

6   E. Rathbone, *The case for family allowances*, London, Penguin Special, 1940, p.101.

7   See particularly, Renwick, Chps. 1-2, 5.

8   M. Young, 'Small man, big world', London, Labour Publications Department, 1949; W. Beveridge, Voluntary action, London, Routledge, 2015.

9   See, e.g. E. Robinson, C. Schofield, F. Sutcliffe-Braithwaite and N. Thomlinson, 'Telling stories about post-war Britain: Popular individualism and the "crisis" of the 1970s', *Twentieth Century British History*, 28.2, 2017.

10   See, e.g. *Skeffington Report on Public Participation in the Planning System*, Cmnd 4276, 1968; P. Hain, ed., *Community politics*, Richmond, Calder Publishing, 1976; London-Edinburgh Weekend Return Group, *In and against the state*, London, Pluto Press, 1979.

11   R. Murray, 'Life after Henry (Ford)', Marxism Today, Oct. 1988, pp.8-13; 'Benetton Britain', *Marxism Today*, Nov. 1985, pp.28-32.

12   H. Cottam, *Radical help: How we can remake the relationships between us and revolutionise the welfare state*, London, Virago, 2018, p.205.

13   See, Cottam Chps. 3-7.

14   Cottam, pp.54-68.

15   Cottam, p.242.

16   V. Doellgast, N. Lillie and V. Pulignano, eds., *Reconstructing solidarity: Labour unions, precarious work, and the politics of institutional change in Europe*, Oxford, Oxford University Press, 2018.

17   See, e.g. T. Hunt and S. McDaniel, 'Tackling insecure work: Political actions from around the world', SPERI, 2017.

18   V. Doellgast, N. Lillie and V. Pulignano, 'From dualization to solidarity: Halting the cycle of precarity', in *Reconstructing Solidarity*, pp.1-41.

19   M. Tapia and J. Holgate, 'Fighting precariousness: Union strategies towards migrant workers in the UK, France and Germany', in *Reconstructing Solidarity*, pp.188-206.

20   D. Grimshaw, S. Marino, D. Anxo, J. Gautié, L. Neumann and C. Weinkopf, 'Negotiating better conditions for workers during austerity in Europe: Unions' local strategies towards low pay and outsourcing in local government', in *Reconstructing Solidarity*, pp.42-66.

21   D. Mabbett, 'Carillion, procurement and industrial policy', *Political Quarterly*, 89.2, 2018, pp.169-171.

22   M. Rustin, 'The politics of post-Fordism, or the trouble with New Times', *New Left Review*, 175, May-June 1989, pp.59-61.

Rebuilding broken institutions and the surrounding culture may alleviate low mobility in certain communities. Just as Murray and Putnam directly associate the erosion of social capital with the decline in mobility, so communities with stable or strong social capital offer greater opportunity for mobility. Understanding how these institutions create the social capital necessary for economic mobility may indicate how to replicate their success elsewhere. While successes may be applicable only in certain areas, thinking differently about the ways these institutions interact with their communities will start to answer the broader question of how to rebuild social capital. Charter Schools. Our specialist research team supports a range of international development agencies, synthesising the latest evidence and expert thinking to inform policy and practice. GSDRC International Development Department, College of Social Sciences University of Birmingham, B15 2TT, UK www.gsdrc.org. Suggested citation Browne, E. (2015). Social Protection for the Poor and Poorest in Developing Countries: Reflections on a Quiet Revolution: Commentary. Oxford Development Studies, 37(4), 439-456. http://dx.doi.org/10.1080/13600810903305257 The rapid rise of social protection can be considered a 'quiet revolution'. (2012). Social Security for all: Building social protection floors and comprehensive social security systems. © International Social Security Association 2019. SOCIAL SECURITY FOR THE DIGITAL AGE Addressing the new challenges and opportunities for social security systems. Dominique La Salle Greta Cartoceti. International Social Security Association Geneva, 2019. They impact our lives in obvious ways, as when we use a GPS enabled device, and in much less obvious ways – as the treatment of the digital trace we leave when accessing the Internet or using a smart phone. These technologies are creating entirely new economic sectors. This report examines how social security institutions can leverage the opportunities and meet the challenges brought about by the emerging digital economy. What is Social Institution? Social Institutions are the establishment in a society that makes the society function. They work as the backbone of a society. Without the social institutions a society cannot achieve fulfilment in terms of economy, academy or relationships. When there are no rules and regulations in a society, people are more likely to indulge in crime and other harmful activities. Social institutions help in taming such activities. They contribute in organizing a society and its people. The government makes rules namely laws for the entire country, and asks the people to follow them. Breach in those laws result in imprisonment and penalties. There are different parties in politics of a country. The Future of Social Security: Here are 12 proposals (and their pros and cons) you should know about on the table in Washington. The world has changed a lot in 80 years. Social Security needs to be updated for the 21st century so we can keep the promise we've made to future generations. Estimates indicate the program will be able to pay full benefits for the next 20 years but only around 75 percent after that. Here are summaries of 12 options being talked about in Washington and on the campaign trail. Each summary is accompanied by two opinions that AARP commissioned from experts whose views typically represent different sides of the issues. (The calculations in these options are based on the 2015 Social Security Truste