# Social Security and Covid-19: An inadequate response to crisis

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Lockdown due to the Covid-19 global pandemic has had far reaching consequences for life as we know it. The economic repercussions will be huge – recent analysis by the Office for Budget Responsibility (OBR) has shown a 10 percent spike in unemployment, equating to around *2 million more people out of work* in the UK. In the three weeks to 9 April, *45,000 new claims* were made for Universal Credit (UC) in Northern Ireland putting unprecedented pressure on the social security system. The situation has also led to renewed debate about the limits of our social security system and its ability to provide an adequate safety net for citizens.

The digital nature of UC has supported the system to make a majority of payments on time (around 93%). This achievement should not be overlooked. Indeed, Nicholas Timmins, has gone as far as saying that "*this may be the moment when the country becomes grateful for UC*". It is true that the digitalised administration and the automated aspects of the system has quite effectively supported the mass payment of claims – which would not have been possible under the legacy system. However, this competency should not overshadow the fundamental problems that remain with UC and more broadly, the difficulties that certain groups are having in accessing any form of support during the current crisis.

The Child Poverty Action Group (CPAG), Early Warning System (which gathers information and case studies from welfare rights advisors about the impact of welfare reform on children and families across the UK), has identified the *gaps in current provision.* The following groups are completely excluded from claiming UC despite experiencing a sudden loss of income as a result of the Covid-19 measures.

- Students who have lost their jobs due to the crisis are not eligible to claim UC if they do not have disabilities or children;
- Couples where one person has lost their job and their partner has their own income or savings;
- Those with no recourse to public funds;
- EU nationals that do not have a right to reside and therefore cannot claim means tested benefits;
- Those who are stuck in the UK or abroad due to travel restrictions.

These groups have no choice but to rely on charitable provision and discretionary welfare schemes which further legitimises and embeds charitable provision, such as foodbanks, into the welfare state (Garthwaite, 2016). Furthermore, reality seriously undermines the idea that each member of society should be entitled to at least a "modicum of economic welfare and security" (Marshall and Bottomore, 1992). Government response to concerns raised by the Westminster Work and Pensions Committee largely invoked now familiar rhetoric on the safety net being reserved for "those who need it most". This is highly problematic as it overlooks the increased and serious hardship that those who can't access the social security system are very likely to face and flies firmly in the face of the *Chancellor's call* for "a collective national effort, with a role for everyone to play – people, businesses and government".

Department for Work and Pensions Ministers have put much emphasis on the increase to the standard allowance in UC by £20 per week, bringing the rate in line with Statutory Sick Pay (SSP). However, as CPAG and others have highlighted, those who are subject to the Benefit Cap will not see any increase in their income. The *Resolution Foundation* has predicted that a couple with two children in a three bedroom property will be affected by the cap in 107 of 152 local areas in England and Wales. In Northern Ireland, the Minister for Communities confirmed that all current welfare reform mitigation measures will continue, including mitigation payments in respect of the Benefit Cap. The £23 million pounds allocated by the Department of Finance in the annual budget has been assessed by *Reed and Portes (2019)* as insufficient. They put the cost of offsetting just the Bedroom Tax and the Benefit Cap at £25 million pounds. It's also important to note that their economic modelling was carried out pre-crisis and does not take into account the significant increase in UC claims. Reflecting on the mitigation package, UN Rapporteur for Extreme Poverty, Philip Alston (2018) said "mitigation comes at a price and is not sustainable...every pound spent on off-setting cuts means taking away from other vital services". Despite an admission by UC Director, Neil Couling, that it was *not difficult to raise the level of the Benefit Cap*, the government has not yet announced any plans to do so, therefore Northern Ireland will have to continue to pay a price to protect those impacted and it's unclear how far the budget will stretch as this cost will undoubtedly be pitted against competing priorities in the wake of the crisis.

The new social security measures have brought to the fore a new dividing line between those already claiming UC and those who have more recently had to claim due to Covid-19. For example, those who recently claimed UC will feel the benefit of the £20 uplift if they previously earned £570 or more per month for at least 12 months. This is because they will have a nine month "grace period", before the cap applies. As Mark Simpson points out "the government continues to play off the interests of 'undeserving' benefit claimants against 'hard-working taxpayers". Those who have recently been unable to contribute to the labour market are considered a little more deserving. They still have to weather the "five week wait", but Ministers were keen to point out to the Work and Pensions Committee that 30 per cent of new claimants were opting to take an Advance Payment (a loan which is deducted from subsequent payments), indicating a reduction in uptake - it is normally around 50 per cent. DWP representatives explained that new claimants were more likely to have their own financial safety net and did not need additional financial assistance – a group which seems to more neatly fit the Conservative claimant mould. However, this group's current virtuous status may be short lived as restrictions are eventually lifted and the government's emphasis on the importance of gainful employment conditionality measures return.

Looking ahead, and beyond the government's approach, Peter Taylor Gooby has contemplated that the rise in claimants who have not previously relied on the social security system, may change overall attitudes to benefit claimants as they directly experience trying to survive on a very low income. This in turn might support a case for change as more people become aware of the difficulties that those at the bottom of society encounter. Collective action from the public is needed to highlight the consequences of not mitigating increased inequalities that are likely to result from the current crisis. It is crucial that we, as social scientists, play our part in creating a ground-swell for change.

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