ATTITUDES TO THE WELFARE STATE AND THE RESPONSE TO REFORM

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A report of qualitative and quantitative research on attitudes to the welfare state and to proposals for reform.
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SUMMARY OF FINDINGS

Key findings

- The findings of a wide range of DSS-sponsored research studies point to a high level of support for the principles of reform as set out by the government in ‘New ambitions for our country: a new contract for welfare’.

- Support for a broadly-defined welfare state – which includes provision of health and education services as well as social security benefits – appears to be high, but levels of approval have fluctuated over time.

- Changes to the social security system were seen as inevitable and necessary, given changes to society. Many aspects of the current social security system were considered anachronistic and in need of reform.

- Levels of knowledge and understanding about the social security system and how it is funded were generally low, and there was a strong desire for greater simplicity and transparency.

- People were generally comfortable with the idea that receipt of benefits from the state should be linked with responsibilities. More generally, the public sensed a greater onus on them to make provision for themselves, for example by contributing towards non-state pensions.

- The state was also expected to meet certain responsibilities in delivering a fair and efficient welfare system. In particular, people looked to the state to provide high quality assistance with training and jobs search; adequate levels of provision, including in retirement; greater transparency in the welfare system – especially in relation to the future of contributory benefits; and regulation of non-state provision.

- There was little enthusiasm for means-testing benefits, especially those for which entitlement is ‘earned’ through National Insurance contributions. However, people recognised the need to better target resources.

- More generally a tension emerged in many of the studies between the desire for a simple and uniform system for everyone, which would be administratively efficient; and the desire for a system which is sufficiently flexible and ‘human’ to take into account individual circumstances.

- There was a willingness to consider non-state forms of welfare provision – including pension schemes and private insurance – but there was considerable mistrust of the private sector, with existing products not always being thought to provide sufficient security.
This report draws together the findings of a number of qualitative and quantitative research studies which have explored the attitudes of the general public - and those of claimants - to the welfare state and to the government’s proposals for welfare reform. For the most part, these studies were funded by the Department of Social Security (DSS) and undertaken in 1997 and 1998 but, on occasion, other (sometimes earlier) studies have been included to provide a broader context.

These studies have collectively informed the welfare reform process in a number of different ways by: setting a context for understanding people’s views about the welfare state; assessing the support for change; identifying and confirming some of the underlying principles for reform - as set out in the Welfare Reform Green Paper, ‘New Ambitions for Our Country: a new contract for welfare’ Cm3805; contributing to the reform agenda; and ensuring welfare reform is workable.

Support for a broadly defined ‘welfare state’ - which includes education and health provision as well as social security benefits - appears to be high, although levels of approval have fluctuated over the past decade. An important measure of support for the welfare state is people’s willingness to pay for it and the evidence suggests that, over the last ten years at least, people have been more likely to say they would prefer an increase in taxes to fund more spending on health, education and social benefits; than to keep taxes and spending the same, or to reduce them. When forced to choose, education, health and pensions were seen as greater priorities for additional spending than unemployment benefits. There is some evidence that people’s views about the welfare state were, at least to some extent, underpinned by self-interest.

Levels of knowledge and understanding about the social security system and how it is funded were generally low. In particular, people had little understanding of how the National Insurance system works and what they could expect from it. While in principle people were supportive of a National Insurance system whereby entitlement to benefits is earned through contributions; in practice, National Insurance was often seen as ‘just another form of tax’.

People held different views about the extent to which the National Insurance system should provide security for everyone, or whether resources should be targeted at those in greatest need. There was support for a system based on ‘social solidarity’ – that is, where risks are pooled across the population and higher earners contribute more than lower earners. That said, some people adopted an individualistic approach to National Insurance, seeing it as a financial transaction giving them rights to a range of insurance benefits in return for their contributions. Others took a more altruistic stance, being content to pay contributions as a means of supporting the more vulnerable members of society. A few people preferred to make their own private arrangements for insurance.
Some people had already bought private policies to cover themselves in certain contingencies but, with the exception of pensions, this was not commonplace (although these studies were not designed to estimate the prevalence of such policies). There was some reluctance to think actively about, and plan for, ‘negative’ contingencies like unemployment and sickness, and many people preferred to prioritise current spending over the possibility of future need. While some people were adamant that the state should provide support in all such contingencies (including retirement) there was a willingness to contemplate alternative forms of provision. That said, there was some mistrust of private sector provision and a perception that some of the products currently on offer were inappropriate.

The public appeared to be uncomfortable with the idea of means-testing social security benefits in general and contributory benefits in particular. There was greater willingness to consider means-testing for Child Benefit than for other benefits. Those who supported means-testing did so on the basis that it ensured benefits were targeted towards those in most need, and that those with ‘excessive’ income were not given unnecessary state help. Objections to means-testing stemmed from a number of arguments: that the link between paying in and ‘getting out’ (the contributory principle) should be maintained; that means-testing was unfair and potentially caused hardship to those who fell the wrong side of the line; and that it was perceived to be administratively complex and therefore inefficient.

The majority of the public appeared to believe that benefit recipients were generally deserving of state support, but some categories of people were considered more deserving than others. Typically, ‘deserving’ cases were those in which the recipient’s need for benefit was perceived to have arisen through no fault of their own: for example because they had become sick, been bereaved, or been made redundant. ‘Undeserving’ cases included those who falsely claimed benefits to which they were not entitled and those who were not doing their best to get off benefits.

Numerous qualitative studies highlight the existence of public concern about fraud, which was often raised in discussions about willingness to pay more for social security. However, quantitative studies do not suggest this concern has reached high levels. Benefit fraud was often considered to be less serious than other types of crime, such as mugging and drink driving, and there was greater acceptance of some forms of benefit fraud than others. Inefficiency within the social security system was sometimes seen to be at least as great a problem as fraud.

Focus group evidence – some, but not all, of which was undertaken before the publication of the Welfare Reform Green Paper – suggests that the term ‘welfare reform’ generally had little meaning for people, although there was recognition that the benefits system was changing.
This change was often seen as inevitable and necessary, although few people were aware of the scale of reform being considered by the government. People were, however, able to identify a number of priorities for action. In particular, they saw the need to contain spending, to develop a more simplified and transparent system, to do something about pensions and to tackle fraud. People generally welcomed the opportunity to be consulted about the government's proposals.

Apart from the minority of people who adopted a 'live for today' attitude towards saving, people were generally aware of the need to plan more proactively for retirement. In particular, there was a general awareness that people were likely to need to make more private provision for their retirement than at present, not least because they lacked confidence that the state would provide for them in the future.

There was a general lack of active forethought and planning for retirement, especially among younger people. Even when people had thought more actively about retirement, they experienced a number of barriers to taking action. In particular, people did not feel well informed about the options available and were confused about the pros and cons of each. The basic state pension was almost universally known, but there was very little awareness of the State Earnings Related Pension Scheme (SERPS). The details of these schemes were not well understood but, on the other hand, people valued the 'automatic' nature of state pensions, which avoided the need for active decision-making. State schemes had an image of not giving good returns in comparison with private schemes, and the assumption was that this discrepancy would increase over time. People generally felt that the National Insurance contributions they made ought to result in a fundamental 'right' to pension entitlement, even for those who did not 'need' it.

The general concept of occupational schemes was also familiar and associated with a number of advantages although, again, the details were rarely understood. The main advantages were considered to be the contributions made by employers and the way that deductions are made automatically from pay. Occupational schemes were seen as having a number of disadvantages, most notably that: many people did not have access to them; they could represent a poor deal for those who move jobs frequently; and employers were not always trusted to put the interests of their employees before themselves.

Personal pension plans were also familiar, particularly to those below retirement age and the self-employed, but people were often confused by the wide range of available products and found it difficult to know how much they would need to pay in to secure a decent retirement income. The main advantage of these schemes was perceived to be their flexibility both in terms of occupational mobility and the ability to vary the amount paid in. However personal pensions were often seen as risky, particularly in the light of the recent pensions mis-selling 'scandal'.

Pension provision
(Chapter Three)
While people were pessimistic about the future of state pension provision, there was a strong expectation and desire that the state should be responsible for providing a basic level of retirement income. The general feeling was that this should be higher than the current level of the basic state pension, enabling people to live without hardship and without the need to claim income-related benefits. Beyond this level there was more acceptance of the idea that individuals should be prepared, even encouraged, to make provision for themselves. People were generally content to consider non-state providers for this, but were somewhat mistrustful of private sector provision and would like to see the state play a stronger regulatory role.

While people were generally aware, but all too often belatedly, that they needed to save more for retirement, they had mixed views about whether they wanted to be compelled to do so. Compulsion up to at least the level of the basic state pension was generally seen as the only way of ensuring that everyone would save enough for an adequate retirement income. This level of compulsion could therefore be seen as consistent with what was considered the state’s responsibility to provide everyone with sufficient retirement income. Few people properly understood that state provision already contained an element of compulsion through the payment of National Insurance contributions, which were used to determine an individual’s eligibility for the basic state pension (and, amongst employees, for SERPS) and the level at which it would be paid.

Fewer people were prepared to consider compulsion beyond this level. Those who supported compulsion were generally prepared to do so only under certain circumstances. In particular, they wanted to see exemptions for very low paid workers, people nearing retirement, and those not in work - although they recognised that the administration of a compulsory system might be too complex if many exceptions were allowed. A number of people were ideologically opposed to the idea of any compulsion on the grounds that people should be responsible for making their own provision. An appropriate role for the state, in addition to that of securing a basic income in retirement, was seen by most to be educational and facilitative, and some people saw this as inconsistent with the more coercive and interfering role implied by compulsion.

The ideas behind citizenship and stakeholder pension schemes were seen as potentially fruitful areas for development, which would for the most part address the perceived limitations of the current range of options. However, there was some concern that adding further to the range of available pensions would simply add to the complexity. What people most wanted was greater transparency and simplicity to enable them to plan more effectively.
The findings to date suggest strong public support for the idea that jobseekers should have to meet certain conditions in return for receiving out of work payments, and that those who refuse to either work or train should not be allowed to stay on benefits indefinitely. For the most part, there was also support for the idea that work is the best form of welfare, although there were some exceptions to this: it was generally felt that unemployed people in education or training should not necessarily have to give it up if they were offered work; and the public were not always convinced that unemployed people should have to take any job offered, particularly if it paid less than they would receive on benefit.

The public strongly supported the idea that both partners in an unemployed couple should have to seek work as a condition of receiving benefits. This, however, was only thought to apply when the couple had no children. Where couples had pre-school children, the consensus was that only one partner should be obliged to seek work. Opinion was divided over what should happen when an unemployed couple had a school age child, with younger people being more likely to support the idea that both partners should have to look for work no matter what their family situation.

There was overall support for the idea of additional support being provided to the partners of jobseekers to help them find employment. The outline proposals presented to focus groups with the general public, jobseekers and partners of jobseekers contained many popular features. These included: the extension of equal rights to government help and training schemes for partners; increased motivation and help for the young unemployed; and the voluntary nature of the support for older partners and/or those with child care responsibilities. Compulsory participation was only seen as acceptable in the case of young, childless partners. People suggested a number of additional changes to the current arrangements for benefit receipt, which they thought could further enhance the proposed reforms.

It was generally agreed that, in some circumstances, exceptions to the proposed new rules requiring both partners to actively seek work would be necessary. These included partners who were in full-time education and those who had caring responsibilities. There was little support for extending these exceptions to partners on the basis of cultural or religious barriers to work.

Some aspects of the proposals for partners were less popular. There were concerns about the potentially detrimental impact of the reforms on existing jobseekers because of a potential overload on Jobcentre resources and the perception that opportunities within the labour market were limited.
The age of the children was a key factor underpinning views on whether or not lone mothers (who comprise more than nine in ten of the lone parent population) have a duty to go out to work. Nearly half the respondents in a recent national survey thought that lone mothers with school age children (as opposed to those with pre-school children) have a duty to go out to work, although a similar proportion thought mothers in these circumstances should be able to choose. Views appear to have become more polarised over time: there has been some movement towards increased support for lone mothers with school age children going out to work. This trend was counterbalanced by a reduction in those who thought lone mothers should do as they liked. Women appeared to be more in favour of choice than were men.

The perceived advantages to lone mothers working included economic benefits for the family, increased self-esteem for the mother, better relationships within the family, and greater social interaction for the mother. The potential disadvantages of (lone) mothers working were thought to include the negative effects on the children, strained family relationships, mothers’ resentment of time spent away from children, and extra pressure through balancing work and domestic commitments.

Lone parents themselves mostly wanted to work. The most recent survey evidence indicated that out of every ten lone parents: three already worked at least 16 hours a week; three were ready to work (at least one of these was actively seeking a job); three expected to work ‘one day’, but not yet; and only one thought they would never work.

There was recognition that lone parents faced specific barriers to work and were likely to need assistance from the state. There was general support for the idea that state resources to support lone parents should be accompanied by sensitive encouragement towards self-help, but approaches which could be interpreted as placing pressure on lone parents were largely viewed as inappropriate. In particular, reduction in benefit was not generally seen as an effective way to encourage lone parents into work.

There was some spontaneous awareness of the New Deal for Lone Parents (NDLP) - the package of support to help lone parents find work. There was a high level of support for the principle of the scheme once explained, but with concern from some quarters that it might ‘pander’ to lone parents. The public was generally opposed to the idea of compulsion, particularly for parents of pre-school children. People felt specific action in the form of the NDLP needed to be reinforced by family friendly employment policies and even greater assistance for lone parents to become work-ready. Primary responsibility for funding childcare to enable lone parents to go out to work was widely seen to fall to the state.
There was strong support for the principle that some financial contributions should be made by non-resident parents, regardless of their circumstances. The state was felt to have an important role to play in providing 'back-up' should either natural parent fail to provide support, but there was concern that this should not encourage 'irresponsibility' in having children.

The Child Support Agency had a relatively high profile and its role was clear, even among those who had had no contact. But the Agency had a negative image - being seen as ineffective, insensitive and punitive in approach, lacking in professionalism and with a poor communication culture. There was tension between the desire for a simpler, more transparent and open system for calculating the level of support payable; and the feeling that for the system to be fair, it should take into account (to a greater degree than at present) detailed individual and family circumstances.

The level of financial responsibility of each natural parent was seen to depend principally on two factors: the financial resources of each partner; and the access to/level of contact with the child. While these factors may affect the level of financial support from the non-resident parent perceived to be 'fair', there was strong support for the idea that some payment should be made, regardless of the circumstances. The nature and duration of the relationship, and the circumstances of breakdown, were not generally considered important in considering levels of financial responsibility.

The setting up of a 'new' family by the non-resident parent was considered relevant in determining the level of child support, but there was little agreement as to how the presence of new families should affect the amount paid. Three factors were considered important in reaching a decision: available resources; re-partnering of parents with care, and the presence of step-children.

Qualitative research suggested that people viewed the social security system in general - and the arrangements for disability-related benefits, in particular - as complex and confusing, and many claimants found this complexity worrying. There was a widespread lack of understanding about the precise benefits available for people with disabilities and the purpose of the benefits themselves. For example, few respondents were aware of Incapacity Benefit or understood its relationship with other disability-related benefits such as Disability Living Allowance.

The general opposition to means-testing of social security benefits also applied to disability-related benefits, although there were indications that people recognise a need to target resources on those most deserving of help. Those claimants who were willing to work, but prevented from doing so because of a disability or long-term illness, were seen as more deserving than others.
There was strong support for encouraging claimants of disability-related benefits back to work, where feasible. However, people did not generally favour making jobsearch activity a condition of claiming sickness and disability benefit. The preference was for an approach that would encourage and help people to work, rather than compel them to do so.

People wanted to see greater entitlement to contributory benefits for carers, irrespective of whether they have given up work, or built up a full contribution record. Carers were seen as providing ‘care on the cheap’ in the absence of government provision, and were recognised as making an important contribution to society.

There was a high level of dissatisfaction with the current arrangements for widows and widowers. These arrangements were seen to reflect a previous world where the emphasis had been on compensation for death rather than financial need. The current system was also seen as inegalitarian, with men being treated differently to women; cohabitees being treated differently to married couples; and widows being treated differentially according to their age.

People wanted a system that would redress these imbalances. In recognition of the emotional and financial pressures immediately following bereavement, they argued for the retention of state help, which would not be means-tested, in the short term. In the longer term, people seemed to be prepared to consider more targeted social security support. This could involve some sort of means-testing of state provision - at least for those without dependent children - although a few people were in favour of the notion that contributions should play a greater role than need in governing eligibility for these benefits.

The potential for private insurance to provide some protection in bereavement was recognised, although few had yet covered themselves in this way and there was a belief that private schemes should complement rather than replace state provision.

Decent housing was seen as an important basic need and the government was seen to have a responsibility in this area by assisting with the housing costs of the more vulnerable members of society. There was also a desire to ensure that assistance was being appropriately targeted. It was felt that people should not able to ‘better themselves’ through the social security system. Some members of the public would therefore like to see benefit targeted towards those without considerable assets, those who are willing to work and those who have contributed to the tax and National Insurance systems. People did not generally draw a distinction between the needs of owner-occupiers and renters.
The overall perception was that government spending on housing had decreased over the last few years; although the shift in emphasis from 'bricks and mortar' spending to personal subsidies had largely gone unnoticed. Some people considered the Housing Benefits system to be complex and excessively bureaucratic; and it was associated with 'scroungers', claimant fraud and landlord abuse. There was some support for more targeted spending, possibly supplemented by a return to rent control.

Some of the spending priorities of the public were to:
- enable people to remain in their own homes;
- encourage people whose rented housing was in excess of their needs to move;
- encourage owner-occupiers to protect themselves through a government-backed insurance product; and
- pay MIRAS only as a last resort.

There was some support for additional means of containing spending on housing benefits. For example, encouraging people to move to smaller and/or cheaper accommodation was felt to be acceptable in some circumstances, provided that the state met the costs of moving. In addition, state payment of high rents was only felt appropriate for a limited period, after which the individual should contribute to the rent or move to less expensive accommodation.

There was only limited support for the concept of having a housing budget with the ability to shop around for cheaper accommodation. People's reservations about such a scheme were that it might allow claimants to profit from the benefits system; that shopping around might encourage the most vulnerable individuals to seek cheaper, poorer quality housing; and that there would be difficulties in setting budgets that would reflect differing local housing markets.

People considered it important to retain a link between financial support for housing costs and other types of state support. Any changes to housing-related benefits would need to be streamlined with other initiatives such as the introduction of a minimum wage, tax credits for those in work, and assistance with seeking work for the economically inactive.

There was low awareness of the existence of Mortgage Payment Protection Insurance (MPPI). Some owner-occupiers had rejected such private insurance on the grounds of cost and the perceived limitations of private policies. Others felt that MPPI was an acceptable alternative to state help, which would encourage personal responsibility and help contain the government's rising housing costs. There was seen to be a greater role for the government to back and regulate such schemes. Some people were concerned that additional compulsory insurance would undermine the social security system and discourage home-ownership at the lower end of the market.
1.1 Introduction

High on the government’s agenda is the desire to develop policy in a way that is both evidence-based and involves dialogue with the public. Social research has been central to this new approach, with a variety of research-related techniques being employed to engage the public. New methods are being established which seek to move beyond the more passive models for consultation in which the public are asked to respond to a relatively fixed agenda. Citizens’ Juries, for example, seek to involve the public, albeit in small groups, in setting the policy agenda. At the same time, more ‘traditional’ research techniques – including surveys and focus groups – are constantly being adapted to improve their value as tools for consultation.

This report brings together the findings of a variety of individual qualitative and quantitative studies, which have sought to engage the public in the process of welfare reform. Some of these studies have involved the public in setting the agenda for reform, but the research has also ensured that public opinion has fed into the reform process in other ways – for example by exploring systematically the factors underlying people’s views and by providing statistically representative samples of public opinion. This collective work serves as a reminder that more ‘traditional’ research techniques have an important part to play in complementing the newer developments.

This introductory chapter serves a number of purposes. First, it introduces the background to the welfare reform agenda. Second, it describes the range of ‘attitude research’ which the Department of Social Security has commissioned, and the roles it has played in supporting the policy process. And finally, it reflects on the key techniques for exploring attitudes and considers some of the concerns that have been raised by external commentators.

1.2 The welfare reform agenda

Reform of the welfare state is a high priority for the government, and in March 1998 it published a Green Paper - ‘New Ambitions for our Country: a new contract for welfare’ (Cm3805; DSS, 1998a) - setting out the need for change, and the principles for reform. Following publication of this outline document, more detailed proposals are being developed in specific policy areas. A number of these have been published as separate consultation documents. In July 1998, two papers were published on child support (‘Children First: a new approach to child support’, Cm3992; DSS 1998b) and on tackling fraud (‘Beating Fraud is Everyone’s Business: securing the future’, Cm4012; DSS, 1998c).
Further consultation papers were published in Autumn 1998 on arrangements of people with a long-term illness or disability ('A new contract for welfare: Support for Disabled People’, Cm4103; DSS, 1998e); and on benefits for widows and widowers ('A new contract for welfare: Support in Bereavement', Cm4104; DSS, 1998f). At the same time, the government published its proposals for introducing a Single Work-Focused Gateway to the benefit system ('A new contract for welfare: the Gateway to Work', Cm4102; DSS, 1998d). In December 1998, proposals were announced on the future of pension provision ('A new contract for welfare: Partnership in Pensions', Cm4179; DSS, 1998g).

1.2.1 The need for reform

Our current welfare state has been developed over a number of years in response to the different issues faced by society over that time. The 1940s represented a period of comprehensive review, but smaller-scale alterations have taken place both before and since. The main argument for change is that the resulting system is not ideally suited to the needs of society today and into the future. The alterations since Beveridge’s reforms in the 1940s have not been able to keep up with the scale and pace of changes to society over the same period. ‘New Ambitions for our Country: a new contract for welfare’ (Cm3805) – hereafter referred to as the Welfare Reform Green Paper - pinpointed a number of changes over the last 50 years which have made the need for reform more pressing. These included:

- the widening pay gap between the highest and lowest paid workers;
- changes in the labour market and patterns of employment, with more women entering the labour market;
- changes in the structure of the population due to increased life expectancy and reduced birth rate;
- an increased rate of relationship breakdown resulting in greater variety in the structure of families; and
- changes in the relationship between public and private provision of security with increased private sector provision through occupational pensions, life assurance schemes and insurance against incapacity.

1.2.2 The principles of reform

The new welfare state is to be built around work and security: work for those who can and security for those who cannot. More specifically, the Welfare Reform Green Paper set out eight principles for reform:

- the new welfare state should help and encourage people of working age to work where they are capable of doing so;
- the public and private sectors should work in partnership to ensure that, wherever possible, people are insured against foreseeable risks and make provision for their retirement;
- the new welfare state should provide public services of high quality to the whole community, as well as cash benefits;
• those who are disabled should get the support they need to lead a fulfilling life with dignity;
• the system should support families and children, as well as tackling the scourge of child poverty;
• there should be specific action to attack social exclusion and help those in poverty;
• the system should encourage openness and honesty and the gateways to benefit should be clear and enforceable; and
• the system of delivering modern welfare should be flexible, efficient and easy for people to use.

Public reactions to many of these principles have been addressed in the research projects described in this report. The policy implications of the relevant principles are discussed in more detail in the introductory sections of each substantive chapter.

1.3 Attitude research in support of the welfare reform process

The studies described in this report do not present a comprehensive picture of attitudes to the welfare state in general or welfare reform, in particular. Some important aspects of the welfare reform agenda - for example, attitudes to service delivery - have not been covered here. The individual studies were commissioned at different stages of policy development and inevitably many proposals have been further developed, often drawing on emerging research findings, since initial ideas were presented to study participants.

1.3.1 Attitude research in the DSS Research Programme

The Welfare Reform Green Paper highlighted the importance of public opinion in the welfare reform process. It promised that the process would involve 'consulting the public widely and listening to what people themselves want' and 'judging carefully how the reform programme would be adapted in line with people’s views' (DSS 1998a, p79). In support of these objectives, the Department's Research Programme for 1997/8 included a large element of 'attitude research' with benefit recipients and the general public. This work has continued into 1998/9. A number of projects have been commissioned employing a range of 'traditional' quantitative and qualitative techniques as summarised in Figure 1.1.

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1 The Department has, over the years, commissioned and published several studies which consider attitudes towards, and satisfaction with, service delivery. More recently work has been commissioned to evaluate the two 'Active Modern Service' prototypes being conducted in Euston and Lewisham. The evaluation results, which will include the attitudes of claimants, were not available in time to feed into this report.
Standard practice is to commission projects in the DSS Research Programme through competitive tender exercises. Single tender may be used, for example, where a supplier has special expertise or experience, is the sole supplier or has sole access to records or data, or in cases of extreme urgency. Many of the studies commissioned to inform the development of specific aspects of welfare reform policy needed to be commissioned quickly in order for the results to effectively feed into a fast-moving policy process. An ongoing contract for qualitative work was therefore let, following a competitive tender exercise, to Social and Community Planning Research (SCPR) at the beginning of 1998. This contract allowed the Department to commission small-scale qualitative projects on welfare reform issues, as required.

Figure 1.1 Attitude research commissioned to support the welfare reform process

**Quantitative Studies**
- **ONS Omnibus Survey:**
  - modules on lone parents, sickness and disability, rights and responsibilities of unemployed claimants and their partners, and attitudes to contributory benefits.
- **British Social Attitudes Survey Series**

**Qualitative Studies**
- **Focus groups on:**
  - general attitudes to welfare reform
  - National Insurance and the contributory principle
  - housing benefits
  - pensions and retirement planning
  - benefits for people with a long-term sickness or disability
  - lone parents and work
  - child support and the Child Support Agency
  - non-working partners of jobseekers

- **Focus groups plus depth interviews on:**
  - provision for widows and widowers
  - increasing compulsion to save for retirement

As well as commissioning research on a project-by-project basis, the Department provides ‘core funding’ for two social security research teams.
The aim of core funding is to encourage the development of research expertise in areas of interest to DSS. It also enables the Department to call upon researchers with particular areas of expertise for urgent pieces of work at short notice and to tight timetables. Under this arrangement the Department pays some or all of the team members' salary costs for a number of years. The team members work on social security projects, which may be awarded on either single or competitive tender. The current core contracts commenced in January 1996 and were let by competitive tender to the Policy Studies Institute (PSI), based at the University of Westminster, and to the Centre for Research in Social Policy (CRSP) at the Loughborough University.

The research projects described here have collectively informed the welfare reform process in a number of different ways by: assessing support for change; identifying and confirming some of the underlying principles for reform; contributing to the reform agenda; and ensuring welfare reform is workable. Each of these functions is described in more detail below, with illustrative examples drawn from projects in the Department's Research Programme in 1997/8 and 1998/9. Some projects have fulfilled more than one of these functions.

Support for the need for change

As we saw in the previous section, one of the arguments for needing to reform the welfare state is that a system devised in the first half of the 20th Century is unlikely to meet adequately the needs of British society into the 21st Century. Attitude research over time has demonstrated that many of the structural shifts that have taken place since Beveridge's reforms have been mirrored by changes in the way people think about the world. The existence of regular quantitative surveys to identify and track such changes has been valuable in informing the policy agenda. The British Social Attitudes (BSA) survey series - with its large and statistically representative sample, rigorously tested questions, and its regular collection of data on an annual basis - is a particularly rich source of information. The Department has regularly sponsored modules, which have covered a range of social security issues including: the funding of social security; attitudes to lone parents; the perceived adequacy of benefit levels; and public perceptions of claimants.

Inevitably, the salience of particular issues waxes and wanes with the result that new issues are introduced from time to time as others are dropped. The BSA survey series enables us to repeat existing questions at regular intervals, while allowing the flexibility to introduce new questions over the years. The 'current' module\(^2\) continues to collect trend data on attitudes to social security issues and provides a useful backdrop to the welfare reform agenda.

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\(^2\) Respondents were interviewed during the Spring and Summer of 1998.
It will additionally explore ‘new’ issues, such as the debate on the appropriate balance between public welfare and private provision and financial self-reliance. The survey also serves a more specific purpose in establishing a ‘baseline’ of attitudes at the beginning of the welfare reform process.

A number of the qualitative studies in the research programme have demonstrated that members of the public themselves recognise that society is changing in ways which have not been mirrored by welfare provision. In particular, changes in public and private roles of men and women, and in the structure of families are seen to dictate the need for new policy responses. The focus groups conducted to explore reactions to policy proposals for non-working partners of Jobseeker’s Allowance (JSA) claimants provide an interesting example (Woodfield and Finch, 1999, discussed further in Chapter Four).

In reviewing the current arrangements for Jobseeker’s Allowance, respondents with and without direct experience of receiving this benefit saw the current system as anachronistic and potentially degrading to women. It was seen to reinforce men (who are the named claimant in over 90 per cent of JSA couples) in their role as breadwinners with a relatively active engagement with the state, for example through support for jobsearch and reskilling. The (predominantly) female partners of jobseekers, on the other hand, were perceived to have a passive relationship with the benefits system, being relevant only by virtue of their relationship with their partner, and given little encouragement to work. The need for change, for example through increased work and training opportunities for partners, was perceived to be strong.

Identifying and confirming underlying principles for reform

The Welfare Reform Green Paper set out the underlying principles for reform. A formal consultation process was launched to invite responses from experts, key interest groups and the general public on these principles, and on the proposals for welfare reform more generally. Attitude research, both quantitative and qualitative, has enabled us to explore public reactions more fully by providing a more statistically representative picture of the general adult population’s views (in the case of quantitative surveys); and by understanding in more detail why people hold the views they do (in the case of focus groups and depth interviews). Both types of research have also helped us to understand to what extent people (both the general public and current claimants) feel the principles hold true in different situations and for different people.

A number of questions have been included in the ONS Omnibus Survey (details of the design of this survey are described in the next chapter) in order to explore the public response to some of the welfare reform principles. In particular, the modules on the rights and responsibilities of unemployed claimants (discussed in Chapter Four) have provided a more detailed understanding of public views about whether work is the best form of welfare.
Qualitative studies can add further depth to our understanding of the public’s response to the principles of welfare reform by examining the reasons why people hold the views they do. The interrelationships and trade-offs between principles can also be explored, especially through group discussions. Qualitative methodologies can also be used to address those issues that are too complex to develop detailed attitude questions for quantitative testing. By way of example, the focus group study on National Insurance and the contributory principle undertaken by our core funded unit at the Centre for Research in Social Policy (CRSP), Loughborough University, explored the relative merits of contributions and means-testing as the basis for determining benefit entitlement (Stafford, 1998). The findings of this work are discussed in Chapters Two and Six.

Setting the agenda

While innovative techniques like Citizens’ Juries are developing new ways of involving the public in the setting of policy agendas, more traditional research techniques such as focus groups also have a role to play here. Focus groups, for example, typically cover a broader range of respondents than Citizens’ Juries while retaining a strong deliberative element.

A particularly valuable characteristic of qualitative techniques (including focus groups and Citizens’ Juries) is that the respondent is not presented with a fixed agenda. While it is true that in focus groups the theme is decided in advance (also the case with Juries), there is plenty of scope within this for respondents to add their own ideas. The focus group study which explored public attitudes to provision for widows and widowers (discussed in Chapter Seven) allowed respondents to come up with their own ‘ideal’ system for responding to the short- and longer-term needs of the bereaved (Thomas and Pettigrew, 1998b). The participants in this study included widows and widowers as well as members of the general public.

Developing a workable agenda

Understanding the extent of, and reasons behind, public support for welfare reform principles is an important part of the reform process, but there is also a need to ensure that the principles are developed into policies which are workable and reflect the needs and circumstances of those they affect. This is another area where qualitative work, especially with those targeted by policy changes, can make a valuable contribution. The recent study conducted for the Department by BMRB International Ltd (Thomas, Pettigrew and Tovey, 1999) on attitudes to the possibility of compulsory second pensions (discussed in Chapter Three) explored views about the practicalities, as well as the principles, of compulsion.

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3 Focus groups are, incidentally, ‘traditional techniques’ that have been used in social policy research for at least quarter of a century, despite the fact that they are portrayed as the latest fad by media commentators.
The reasons underpinning stated preferences were of particular importance in the study and the experiences and decision-making processes needed to be explored. A mixed methodology was therefore adopted in which focus groups exploring attitudes and awareness were complemented by individual depth interviews.

While attitude research has played a part in the Department’s research programme for some time, it is fair to say its salience has increased in the first year or so of the present government. This has not escaped the notice of external commentators, and there has been a high level of interest in this work. A number of concerns have also been raised about the volume of attitude research and the use to which it has been put. In particular, some commentators have worried that attitude research taps only superficial opinion; and that far from enriching a democratic process of policy-making, attitude research can undermine it. It is beyond the scope of this report to do justice to all these important issues, but they are worthy of some (albeit limited) discussion here.

This chapter has described a range of ways in which attitude research has informed one area of policy development - welfare reform. The opinions of the general public and specific interest groups have played an important part in the process of developing the welfare reform agenda, but it is perhaps worth stressing that these views are just one source of evidence that feeds into the policy-making process. And attitude research is just one way of ensuring that the public’s opinions are considered in that process. Focus groups, panels and survey samples are not vested with decision-making powers and complement, rather than replace, democratic decision-making processes.

If we believed all we saw and heard in the media, we might be tempted to conclude that the focus group is the main way in which the current government finds out what people think. But as this report demonstrates, a range of different research techniques can, should and are being used to measure and explore public attitudes. Focus groups (also known as group discussions) represent just one of a number of techniques being used to discover people’s views. They are particularly appropriate for some purposes - most notably for finding out in general terms why people think the way they do, helping to refine policy options, and for focusing effort on particular groups who may not be well represented in sample surveys.

Group discussions are also a particularly useful way of using the collective experience of a group of respondents to test ideas, identify polarities and generate solutions. The participants go through a process, and the best examples of qualitative research have explicitly analysed this process to reveal something of the ways in which attitudes are shaped. But focus groups are not a panacea. They cannot tell us where the weight of public opinion lies or how it might be changing, nor can they provide detailed individual-level information - we need to use other methods to capture these.
The volume of attitude research, including focus groups, in the Department’s Research Programme has certainly increased over the last year or so. It is difficult to isolate a figure in expenditure terms, because few projects exclusively measure attitudes: as we have seen, much of the work we have termed ‘attitude research’ goes beyond this to explore knowledge, values and behaviour. If this is true in relation to the research conducted to support welfare reform, it is even more so in other areas of the Research Programme, which are largely concerned with the evaluation of existing policies.

One of the criticisms of quantitative surveys is that they do not allow the respondent to think deeply about the issues on which they are being questioned. There is some truth in this, although the extent of the problem varies according to the nature and design of the survey. A ten-minute survey in a busy high street is likely to generate less thoughtful answers than a longer survey conducted in the home after an appointment has been made. On the other hand, the collection of standardised quantitative data through large-scale surveys provides rich data suitable for sophisticated statistical modelling techniques. For example, regression analysis of British Social Attitudes survey data has enabled us to disentangle a variety of different factors which influence people’s attitudes to reveal an underlying shift in attitudes over time towards the welfare state (Bryson, 1997). In this way we can start to make a distinction between underlying trends and more immediate influences.

Qualitative research methods – including focus groups and depth interviews – complement quantitative surveys by enabling more deliberation on the part of study participants. To facilitate this process of deliberation, many of the qualitative studies described in this report involved the presentation of information to participants, as well as the collection of data from them. For example, the focus group study carried out on pensions and retirement planning (Hedges, 1998 – discussed further in Chapter Three) needed to gauge reactions to a highly complex and technical policy area. Stimulus sheets, often supplemented by oral presentation by the group moderator, were therefore used to input information and stimulate discussion. This study also included two ‘reconvened groups’, in which participants met twice, a week apart. Getting people back for a second session allowed more time for discussion of a complex set of issues and gave participants a greater chance to take in information, to think issues through and to develop their ideas. In this way, the study captured ‘matured’ public opinion rather than ‘knee-jerk’ reactions to policy ideas.
Qualitative approaches are an important complement to quantitative techniques and many of the studies described in this report have explicitly used qualitative methods to expand upon and interpret survey findings. For example, the two focus group studies on pensions, described in Chapter Three, explored the concept of ‘responsibility’ for pension provision and suggested a more complex interpretation of public attitudes to the division of responsibility between individuals and the government was needed than would have been available from survey data.

Qualitative studies can also complement quantitative studies by revealing how additional factors, of the sort not measured in surveys, can influence public opinion. The focus group study on lone parents conducted by Social and Community Planning Research (Snape and Kelly, 1999) revealed a high awareness of the (negative) media images of lone parents, which provided an orientation for discussions. The extent to which respondents’ views departed from these negative stereotypes was partly dependent on the nature of their experience (direct and indirect, personal and professional) of lone parents and lone parenthood.

While we have collectively termed this work ‘attitude research’, it is important to emphasise that it has not just been about measuring what people think. As has already been discussed we also want to know why: how views are shaped by, and shape, knowledge, experience and behaviour. We know that attitudes influence behaviour in complex and interacting ways with the result that people’s behavioural responses can be quite different to their stated views. To date, the research programme has only touched on this, but it is an issue that merits further work.

The rest of this report is divided into eight further chapters. The next, Chapter Two, reviews what we know about attitudes to the welfare state in general before considering the early reaction to some of the principles of welfare reform.

The next six chapters consider specific areas for reform. Chapter Three discusses pension provision, drawing together the evidence from two recent qualitative studies which explored retirement planning, pension choices and the case for compulsory second pensions. Chapter Four reviews quantitative and qualitative research studies in which public attitudes towards the rights and responsibilities of benefit recipients have been explored. The rights and responsibilities of lone parents in relation to work and childcare are covered in the first part of Chapter Five, which goes on to consider arrangements for child support. Chapter Six discusses the findings from recent research exploring public views about benefits for people with a long-term illness or disability. Attitudes towards reform for the system of state support in bereavement are highlighted in Chapter Seven, while Chapter Eight presents a summary of findings on attitudes to housing-related benefits.

The final chapter, Chapter Nine, presents an overview of the themes that have emerged from this research.
This chapter is edited by Teresa Williams, DSS Social Research Branch, drawing on original research by Bruce Stafford (CRSP), the British Social Attitudes survey team at SCPR, RSGB, and Mike Everett and Trinh Tu (MORI). It reviews what we know about public attitudes to the welfare system as a whole: whether it is perceived as a system in which everyone has a stake; the extent to which (and the basis on which) people are prepared to fund it; the public’s attitudes towards those in receipt of social security benefits; and their views on alternative means of provision, for example through partnership with the private sector. People’s views on all of these issues provide the background to their understanding of and support for the welfare reform agenda, which is discussed at the end this chapter. More specific findings in relation to particular areas of welfare reform follow in later chapters.

The findings presented in this chapter are drawn from a wide variety of quantitative and qualitative research studies, most, but not all, of which were commissioned by DSS. Summary details of the more extensively reported studies are provided below, with further details provided in Appendix 2.

Quantitative data sources

The British Social Attitudes (BSA) survey series is the main source of quantitative data discussed in this chapter. The BSA survey is a regular annual survey conducted by the independent research institute, Social and Community Planning Research (SCPR). The series started in 1983 and is designed to chart, describe and analyse trends in public attitudes over the years. It is funded from a variety of sources including the Gatsby Charitable Foundation (one of the Sainsbury Family Charitable Trusts), the Economic and Social Research Council, and Government Departments as well as a variety of other public sector organisations and charitable foundations. The Department of Social Security has contributed financially to the survey on a regular basis.

The BSA survey is designed to yield a representative sample of approximately 3,600 adults aged 18 or over who are living in Britain. ‘Modules’ of questions on social security and broader welfare issues have been included in most years. These have covered, among other topics: attitudes to the funding of social security; views on lone parents; means-testing of benefits; and public perceptions of benefit claimants.

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4 People living in institutions are excluded. Prior to 1994, the sample size was smaller than 3,600. Questions on welfare have not always been asked of the full sample, so on these occasions the relevant sample base for a specific question typically falls in the range 1,000 to 1,500.
The BSA survey series also allows cross-national comparisons to be made. A subset of the questions asked each year is included in parallel surveys in 31 countries which participate in the International Social Survey Programme. A number of topics - including attitudes to the role of government and the welfare state - have been covered to date, each being repeated periodically in order to build up time-series data.

Other ad hoc quantitative studies are also discussed. For example, in 1994 the Department funded a module of questions, in the Office for National Statistics (ONS) Omnibus Survey, which were designed to test the public's knowledge of and attitudes towards 'contributory' benefits. The ONS Omnibus is a regular, multi-purpose survey mainly carried out on behalf of government departments, public bodies, charities and academics. Face-to-face interviews are conducted with a representative sample of approximately 1900 adults (aged 16 or over) each month.

More recently Research Services of Great Britain (RSGB) Ltd. were commissioned to undertake two surveys, one of the general public and one of benefit claimants, to explore attitudes to benefit fraud. While the primary aim of this study was to inform the Department's counter-fraud publicity strategy, it provides a useful picture of the underlying attitudes and opinions towards fraud itself.

Finally, we have drawn on a survey of general attitudes to social security conducted on behalf of The Reader's Digest by Market Opinion Research International (MORI) Ltd in July 1996 (Worcester, 1996). Face-to-face interviews were conducted with a nationally representative sample of over 2,000 adults aged 15 or over, via MORI's regular omnibus survey.

Qualitative data sources

As described in the introductory chapter, the Department has commissioned a number of qualitative research projects exploring public attitudes to specific aspects of the welfare reform agenda. For the most part, these are described on a theme-by-theme basis in the later chapters of this report. Two qualitative studies in particular, though, will be discussed in this chapter. These were broader in focus than the others, considering more general attitudes to the welfare state and the principles of welfare reform.
In November 1997, the Department commissioned one of its core-funded units, the Social Security Unit at the Centre for Research in Social Policy (CRSP), to conduct a qualitative study of public perceptions of the National Insurance scheme (Stafford, 1998). Eight discussion groups with a total of 67 participants of working age drawn from the ‘general population’ were held in two locations. All groups contained a mix of men and women and were selected to reflect a range of ages and socio-economic status. Of particular interest was participants’ understanding of, and strength of commitment to, the ‘contributory principle’ (whereby entitlement to certain social security benefits is dependent on contributions made into the National Insurance fund). The research focused on three contingencies: unemployment, sickness and retirement. Respondents were also asked their views on a number of possible policy developments.

The second study was commissioned from MORI in January 1998 (MORI, 1998a). Six focus groups were held in three locations with members of the general public, again selected to reflect a range of characteristics. The specific objectives of the study were to explore: public understanding of social security and welfare reform; people’s perceptions of benefit claimants; and their levels of commitment to the social security system.

2.2 Knowledge of and support for the welfare state

2.2.1 Knowledge of the welfare system

General levels of knowledge and understanding

The complexity of the social security system, and the rules for entitlement to different benefits, makes the task of quantitatively measuring levels of knowledge a difficult one. Where quantitative studies have explored knowledge of these issues, they have typically revealed low levels of understanding about the workings of the welfare state and the way in which it is funded. For the most part those with greater levels of direct experience display the highest levels of knowledge.

People appear to associate the National Insurance fund with welfare services in the broadest sense, but do not always make the distinction between social security and other services, or between benefits that are contributory and other forms of social assistance. The 1994 ONS Omnibus module on contributory benefits found that while around six in ten people were aware that social security benefits are financed by both National Insurance contributions and Income Tax, fewer people (42 per cent) thought that National Insurance contributions are only used to fund social security benefits. Preliminary findings from a more recent ONS Omnibus module, conducted in September 1998, indicate that the National Insurance fund is more often associated with the National Health Service (by 69 per cent of respondents) than with social security benefits.³

³ Respondents were provided with a list of possible benefits and services, and asked which they thought were funded from National Insurance contributions. While it is true that a small amount of National Insurance revenue does in fact go towards the NHS, this is not, of course, the main source of funding for the NHS.
Statutory Sick Pay, Incapacity Benefit and the State Retirement Pension were the benefits most commonly thought of as funded from National Insurance contributions (by 61 per cent of the sample in each case). The findings from both 1994 and 1998 modules also suggest that members of the public are uncertain about the distinction between 'contributory' and other sorts of benefits. Most people in the 1994 survey knew that Unemployment Benefit (as it was then called) and the State Retirement Pension were contributory benefits (65 per cent and 71 per cent respectively) and that Child Benefit was not a contributory benefit (69 per cent). However, fewer people knew that Income Support and Family Credit were not contributory benefits (51 per cent and 39 per cent respectively).

The more recent qualitative studies commissioned from MORI and CRSP enabled a fuller exploration of people’s knowledge and understanding of the welfare system. Participants in these studies had little prior knowledge of the social security system in general or of National Insurance in particular. Even those respondents with some knowledge often got the details wrong. These findings are consistent with other research on claimants’ understanding of the benefit system (Kellard and Stafford, 1997; Thomas, Pettigrew and Tovey, 1999).

The CRSP focus group research suggested a number of possible explanations for the low levels of knowledge found amongst participants in the study:

* they had relatively little direct experience of the social security system;
* some were reluctant to find out about National Insurance benefits because they did not want to consider the circumstances under which they might be financially worse off;
* they found the benefit system too confusing and responded by avoiding thinking about it; and
* some middle class respondents felt there was little incentive to enquire about the National Insurance system because they believed that they were adequately covered by occupational and/or private insurance policies.

Where respondents did not have recent personal experience of the social security system they were dependent upon either previous experience or indirect sources of information, notably the experiences of friends and relatives and reports in the media. The latter were particularly important in convincing the majority of participants that there was widespread abuse and fraud in the social security system (attitudes to fraud are explored further in Section 2.4.2 below).

\[\text{In each case, respondents were provided with a definition of a contributory benefit. People were therefore asked to say whether the statement 'benefit is a contributory benefit; that is, people have to have paid National Insurance contributions to qualify' is true or false.}\]
One of the consequences of this absence of detailed knowledge was therefore a general desire for a more simplified and transparent social security system. Participants looked to government in general, and the Department of Social Security in particular, to inform them of their rights and responsibilities. To some extent they saw their lack of knowledge as the fault of the Department as, they believed, it had not made the necessary information either accessible or intelligible:

'... to get hold of the information, where do you go? And you just get loads of leaflets shoved at you that you can't make head or tail of.' (Stafford, 1998: female, 18–49 years, middle class)

The social security system makes a distinction between three types of benefit, on the basis of entitlement: contributory benefits, where entitlement depends on the individual's contributions record; means-tested benefits, where entitlement is based on income and/or savings; and contingency benefits which are paid because of particular circumstances (as is the case with Child Benefit). Focus group discussions revealed that while many were aware that there are different types of benefits, few were able to describe them in these terms.

Knowledge and understanding of the contributory benefits system

The study undertaken by CRSP (Stafford, 1998) explored the National Insurance system in more detail and, in line with the 1994 ONS Omnibus Survey findings, found low levels of awareness about which benefits were funded on this basis. The National Insurance scheme was commonly associated with hospitals or the health service, rather than with social security benefits. With probing, respondents in most of the groups also identified state pensions and 'sickness pay' as being funded from National Insurance contributions. Only one group mentioned, unprompted, unemployment as a risk covered by National Insurance; this group was also the only one to identify 'maternity benefit' as a contributory benefit. Other respondents incorrectly suggested 'notability' and Income Support for sick and disabled people as contributory benefits. A few respondents said they had no idea what their National Insurance contributions were used for.

Respondents in the CRSP study (Stafford, 1998) saw no real distinction between paying National Insurance and tax. This was partly because, as some pointed out, both were deducted automatically from their salaries. The self-employed, who are required to be more proactive in making their contributions, tended to know the class of the contribution they paid and appeared to understand some of the details of their contributions.

These categories are not necessarily always mutually exclusive, with some overlap between them. For example, Statutory Maternity Pay is both a contingency and a contributory benefit.
The lack of clear distinction between the National Insurance fund and the tax system appeared to partly reflect the belief that the National Insurance fund had only a notional existence. Participants described a ‘coffer’ or ‘main pot’ into which National Insurance contributions and tax revenues were paid to fund all government expenditure. A few thought that the distinction between the two was merely for presentational reasons, in that it allowed the government to levy a lower rate of income tax than if there were no National Insurance.

2.2.2 Support for the welfare state

Defining ‘welfare’

The term ‘welfare’ has become almost synonymous with social security benefits. As we saw in the first chapter, the Welfare Reform Green Paper envisaged a broader definition of the welfare state, which would include health. Questions in the BSA survey series allow us to compare the extent of support for welfare spending in general (encompassing education and health) and on social security benefits in particular. The evidence suggests greater levels of public support for the broader view of welfare – the one from which a greater proportion of the population gains.

Support for welfare over time

The British Social Attitudes survey has included questions on social security since the mid-1980s, which enables the examination of changes over time. Bryson (1997) conducted time-series analysis to explore changes in the levels of support for the welfare state. Her analysis included the use of regression techniques to disentangle underlying changes in support from other changes resulting, for example, from the ‘busts and booms’ of the economic cycle and from socio-demographic change.

The BSA survey includes a number of questions to measure the extent to which people favour publicly-provided welfare and its role in re-distributing income from the rich to the poor, or support a more individualistic approach in which the government has minimal involvement in this area. Taken collectively these questions form a five-point scale on which people are scored according to the extent to which they are pro- or anti-welfare. Someone with an anti-welfare stance would typically feel that the welfare state encourages dependency among claimants, and believe that many of those on benefits are in some way ‘undeserving.’ The higher the person’s score on the scale, the more anti-welfare they are.

Bryson’s analysis revealed that a person’s position on this ‘welfarism’ scale is related to a number of socio-demographic characteristics. The highly educated (those with degrees or higher level qualifications) were, for instance, more pro-welfare than those with no qualifications, and the unemployed were more pro-welfare than were those in work.
Those in Southern England were more anti-welfare than people living in Scotland or the North, and the elderly (aged 60+) more anti-welfare than were other age groups. Time-series analysis revealed a fluctuation of public support for welfare over the last decade: attitudes became generally more ‘pro-welfare’ between 1987 and 1993; but more ‘anti-welfare’ from 1994 onwards (Table 2.1). Multivariate analysis using regression techniques demonstrated that although some of the shifts in attitudes over time can be explained by changes in the state of the economy and socio-demographic profile of Britain, these factors do not entirely account for the trends identified. The analysis confirmed an underlying trend towards a more favourable view of welfare up to the early 1990s and a less favourable view since then.

Table 2.1 Trends in public support for welfare: mean scores on a ‘welfarism scale’ over time

|-----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Source: British Social Attitudes survey series
| Mean Score on Welfare Scale | 2.91  | 2.88  | 2.85  | 2.82  | 2.94  | 3.05  | 3.02  |
| Base:                       | 1281  | 1307  | 2481  | 2567  | 2929  | 3135  | 3119  |

International comparisons over time

The International Social Survey Programme enables us to compare attitudes towards state welfare, not only over time but also across different countries. The most recent publication from the British Social Attitudes survey team (Jowell et al, 1998) compares British attitudes towards the welfare state with those in a number of other European countries.

Despite contrasting models of welfare state provision in different European countries, the analysis of this data revealed a general commitment to the state’s responsibility for services of mass need, such as health care and old age pensions. For example, Peter Taylor-Gooby (1998) compared attitudes to welfare in three different countries with different models of welfare provision – Britain, Germany and Sweden – and found broadly similar patterns of support in each. He also found in all three countries that women were more supportive of the welfare state than were men; and that levels of support tended to be higher as income declined. For the most part there has been more within-nation variation in attitudes to different service areas and policies than between-nation variation in overall public values.

Where 1 represents the most pro-welfare position; and 5 represents the most anti-welfare position.
A key conclusion from this comparative data across Europe was that movements in public opinion about the appropriate role of the state have not been very large in any European country (Kaase and Newton, 1998; Taylor-Gooby, 1998). Despite major changes in economic and political circumstances public opinion appears to have resisted the ebbs and flows of ideological debates and there has been little in the way of convergence (or divergence) between the views held in different countries over time. Although there has been a slight decline - over time and in several different countries - in public support for a strong welfare state, there was little evidence of overtly anti-welfare European attitudes.

2.2.3 Paying for the welfare state

An important measure of support for the welfare state is people’s willingness to pay for it. The British Social Attitudes survey asks respondents to make a trade-off between increased spending on the welfare state and increased taxes. In line with Bryson’s findings, time-series analysis (Taylor-Gooby, 1995) suggests increased support for increasing taxes and spending up until the mid 1990s, with reduced levels of support thereafter. But despite the more recent fall-off in support, the most popular choice in each year, with the exception of 1983, was for increased spending. All this suggests support for a broad definition of the welfare state is high (Table 2.2).

Table 2.2 Support for welfare spending over time

<table>
<thead>
<tr>
<th>If the government had to choose it should...</th>
<th>1983</th>
<th>1986</th>
<th>1990</th>
<th>1993</th>
<th>1994</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>...reduce taxes and spend less on health, education and social benefits</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>...keep taxes and spending at the same level as now</td>
<td>54</td>
<td>44</td>
<td>37</td>
<td>29</td>
<td>33</td>
<td>34</td>
</tr>
<tr>
<td>...increase taxes and spend more on health, education and social benefits</td>
<td>32</td>
<td>46</td>
<td>54</td>
<td>63</td>
<td>58</td>
<td>59</td>
</tr>
</tbody>
</table>

Base: Adult Population

However, when people are forced to choose between different elements of welfare spending, higher levels of support are found for education, health and pensions than for unemployment benefits (Table 2.3). In other words, there appears to be greater support for those areas of welfare spending from which a high proportion of the population can expect to benefit (Taylor-Gooby, 1995).

| Other areas of spending – for example the environment and the Police – were also included in this question. |
This raises the question of whether people’s attitudes towards the welfare state and welfare spending are shaped by self-interest. Lipsey’s (1994) analysis of BSA data suggests that they are. He finds, for example, that the most enthusiastic support for prioritising pensions is from the elderly and that those out of work are more likely to support spending on unemployment benefits. Other ‘snap shot’ surveys appear to support these general conclusions. A MORI survey for Reader’s Digest in 1996 found that those who had claimed benefit in the last couple of years - regardless of the type - were more inclined than those who had not to feel government spending in this area was too low (Worcester, 1996). It found people who had received Unemployment Benefit (47 per cent) and Income Support (42 per cent) were especially inclined to feel this way compared with the general population sample (29 per cent).

Table 2.3 Priorities for welfare spending: should the government spend more, the same or less on education, health, pensions and unemployment benefits?

<table>
<thead>
<tr>
<th></th>
<th>1985</th>
<th></th>
<th>1993</th>
<th></th>
<th>1994</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>More</td>
<td>Same</td>
<td>Less</td>
<td>More</td>
<td>Same</td>
<td>Less</td>
</tr>
<tr>
<td>Health</td>
<td>87</td>
<td>11</td>
<td>1</td>
<td>87</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>74</td>
<td>22</td>
<td>2</td>
<td>79</td>
<td>16</td>
<td>1</td>
</tr>
<tr>
<td>Pensions</td>
<td>74</td>
<td>23</td>
<td>1</td>
<td>78</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Unemployment Benefit</td>
<td>30</td>
<td>38</td>
<td>19</td>
<td>48</td>
<td>39</td>
<td>8</td>
</tr>
<tr>
<td>Base: adult population</td>
<td>1530</td>
<td>1530</td>
<td>1530</td>
<td>1268</td>
<td>1268</td>
<td>1268</td>
</tr>
<tr>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>971</td>
<td>971</td>
<td>971</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|        |        |        |

These quantitative findings are only suggestive of self-interested attitudes. Qualitative research often reveals a more detailed understanding. For example, the focus groups conducted by MORI suggest that older people may argue for greater investment in pensions that will benefit future generations rather than (or as well as) themselves. It is possible, therefore, that instead of arguing purely from self-interest, people with experience of a particular contingency can better empathise with the needs of others who may find themselves in the same situation in future. The extent to which the public is altruistic or individualistic in their views about the welfare state is explored further, drawing on qualitative data, in the next section.

10 Subsequent analyses based on data from later years reach the same conclusion. See, for example, Taylor-Gooby (1998).
11 This survey was essentially a module of questions in MORI’s regular omnibus survey.
2.3 Targeted support for those in need or security for everyone?

As the Welfare Reform Green Paper points out, much of our current welfare state is based on decisions which were made in the first half of this century when the primary concern was to prevent destitution for the few. Over time, a number of changes have been made which aim to widen the scope of support - for example, through the development of an insurance-based system with a broader base. Looking further into the future, the Welfare Reform Green Paper placed an emphasis on preventing, rather than alleviating, dependency and extending opportunities for everybody, while at the same time ensuring that those in most need are properly supported. This section reviews what we know about public support for these ideas.

2.3.1 Individualism and the welfare state

We have already seen that there is some suggestion that people’s views of the welfare state may, to a certain extent, be underpinned by self-interest. While social assistance is still targeted at those in greatest need, a key way in which a wider population is seen to have a stake in the welfare system is through the National Insurance scheme. This scheme is based on the contributory principle, in that benefit entitlement is based on the payment of National Insurance contributions. While voluntary contributions can be made to help secure entitlement to contributory benefits, the scheme largely excludes those outside the labour market. The link between the National Insurance scheme and paid employment is particularly strong. Employees and employers contribute to a system which provides for those currently in need but from which all contributors can benefit in the future should they need to do so.

Recognising that there is potentially a fine distinction between having a stake in the sense that you know you have a safety net, and expecting to get something specific out of the system, the CRSP research (Stafford, 1998) sought to explore people’s expectations of the welfare state. More explicitly, the study aimed to elicit the extent to which people were committed to what Stafford termed a ‘social solidarity’ view of the welfare state\(^\text{12}\); or whether they saw it as an ‘individualist’ system, in which individual payments reap individual returns. The findings suggest that respondents did not always see this as an either/or scenario, with some respondents arguing for both individualistic and redistributive elements.

Support for a system based on ‘social solidarity’

Participants were questioned (indirectly) on two key issues - risk-pooling and redistribution of income - in order to assess the extent to which they support a system based on social solidarity.

\(^\text{12}\) In which the system achieves social cohesion by sharing risks across the population and/or redistributing wealth from the rich to the poor.
Risk-pooling is a system in which people pay the same rate of contribution regardless of the level of personal risk they face; so that those in low-risk jobs effectively support those working in high-risk occupations. Respondents appeared to favour this system: while they agreed that higher earners should pay more, nobody proposed that individuals’ contributions should be related to the level of risk they faced. Most respondents also wanted benefits paid at a flat rate (so that everyone would be treated the same). Some respondents believed that entitlement to contributory benefits should be extended to carers and other groups, implying that the range of social risks covered should be increased.

The redistribution aspect of social solidarity requires contributions to be related to earned income, while benefits would be paid at a flat rate or be based on need. Under such a scheme, high earners pay more into the fund than low earners but do not receive more from it. Study participants revealed mixed feelings about redistribution. In many ways they supported the principle: they were generally in favour of higher earners paying more in National Insurance contributions; and they supported increases in progressive taxes to fund improvements to the National Insurance scheme. In addition, there was implied support for redistribution in respondents’ proposals for paying some benefits to people with incomplete contribution records.

However, respondents stopped short of full support for a redistributive scheme: they were generally opposed to the idea of means-tested benefits (although this did not necessarily mean they were opposed to other conditions being attached to their receipt) preferring flat rate structures for most benefits. The issue of means-testing is explored further in Section 2.3.2 below. Whilst there was support for a redistribution through combining earnings-related contributions with benefits paid out at a flat rate, most respondents did not want resources for contributory benefits to be targeted on those with low incomes. This did not mean that there was no concern about the more vulnerable members of society: rather that they wanted a ‘minimum’ level of social protection for ‘everyone’, including people outside the labour market:

‘... I think as a nation we should be a caring nation. ... That we will look after each other, that we should treat everybody as an equal.’ (Stafford, 1998: male, 50-pensionable age, middle class)

‘I don’t contribute thinking that I’m going to get x, y and z out of it. I think you do it for people less fortunate.’ (Stafford, 1998: female, 18–49 years, middle class)
Individualism and National Insurance

While respondents in the CRSP study were generally in favour of a welfare state that promotes social solidarity, there was also evidence of more individualistic viewpoints with respect to how they saw their relationship with the state. For example, some respondents advocated that the private sector should provide the existing range of contributory benefits, in which social risks would be insured on an individual, actuarial basis. Further evidence of individualism was provided by the fact that the contributory principle was seen by some as representing an individual contract with the state. As contributors they believed they had a ‘right’ to receive any insurance benefits in full. It was this perspective which underpinned many respondents’ opposition to means-testing insurance benefits.

‘If you’ve contributed to the system you should get something out.’
(Stafford, 1998: female, 50-pensionable age, middle class)

Finally, some perceived National Insurance contributions as being tied to an individual in the form of a personal ‘kitty’ which could be drawn on, in the form of benefit, when needed by the respondent:

‘… the [National Insurance] is your part, for if you need it. … [I]n the sense that it’s your little pot that you can call on.’ (Stafford, 1998: female, 18–49 years, middle class)

However, self-employed respondents tended to believe that they received very little in return for their National Insurance contributions:

‘I don’t think you can claim much at all if you’re self-employed. You just have to pay, you don’t get anything back.’ (Stafford, 1998: female, 18–49 years, middle class)

The CRSP study concluded that there were three ways in which members of the public related to the National Insurance system, although these were not necessarily mutually exclusive. First, they could adopt an individualistic approach to National Insurance, seeing it as a financial transaction, which would entitle them to a range of insurance benefits. Linked to this was the perception of National Insurance as a top-up to other benefits and private insurance policies. An individualistic attitude was not necessarily incompatible with support for risk-pooling. Second, they could adopt an altruistic stance. Those who did so were more content to pay National Insurance contributions, knowing that they were supporting the more vulnerable members of the community. However, this did not always mean that these respondents were necessarily in favour of targeting benefits on those most in need, as some of them supported a flat rate benefit structure. Finally, there were those in favour of a private approach, whereby people would make their own arrangements for social insurance through non-state providers.
2.3.2 Means-testing

As we have already seen, people's reactions to the idea of means-testing benefits provide an indication of the extent to which they view the appropriate role of the social security system as providing targeted assistance for those in greatest need, and/or providing more general insurance for everyone. Of course, these should not necessarily be seen as alternatives and indeed the CRSP research suggests that many respondents did not see them as such. As will be seen below, means-testing was considered more appropriate in some circumstances than in others.

Qualitative findings

Both the CRSP and MORI focus groups explored reactions to the possibility of means-testing benefits. While people were generally uncomfortable with the idea, this varied according to the socio-demographic characteristics of respondents, and the type of benefit under consideration. The CRSP study found more support for means-testing contributory benefits from middle class groups than from working class groups, although even among middle class respondents this was a minority opinion.

There was little overall support for means-testing contributory benefits, which tended to be seen as an earned 'right'. However, there was some support for the idea of means-testing Child Benefit (which is a contingency, rather than contributory, benefit), on the basis that the current system was ineffective as it was 'too little if you needed it; pretty meaningless if you didn't'. That said, a number of participants still argued that Child Benefit should still be available to everyone with children, regardless of income. This appeared to be on the basis that the benefit was intended for the child, and should not therefore be linked to the parents' income.

The arguments for and against means-testing of contributory benefits were explored in some depth in the CRSP study. Those participants prepared to support means-testing did so on the basis that this would ensure that benefits were targeted on those in most need:

'[To] ... get best use out of the money ... so that those who are most disadvantaged do actually get as much money as possible.' (Stafford, 1998: male, 18-49 years, middle class)

In particular, there was a desire to ensure that those with 'excessive' earnings were either ineligible or had their entitlement reduced. However, there was no consensus within or across groups on an appropriate income threshold for means-testing. Several of the respondents in favour of means-testing insurance benefits gave only conditional support. Some, for example, said they would support its introduction if any financial savings were spent on other welfare services such as the National Health Service or education.
A wide range of arguments was made against means-testing for contributory benefits. Objections were based on two key principles: that the link between paying in and ‘getting out’ (the ‘contributory principle’) should be maintained; and that a means-tested system would be counter-productive through administrative inefficiency and a potential failure to meet its desired objectives.

There was a general commitment to the contributory principle, which participants considered to be at odds with the notion of means-testing. They argued that if an individual had paid their National Insurance contributions then they were entitled, as a ‘right’, to receive an insurance benefit in full, regardless of the earnings of others within the household. The compulsory nature of National Insurance contributions was felt to add strength to this argument.

As we saw earlier, this commitment to the contributory principle appeared to be linked with an individualistic view of the National Insurance scheme. Underlining this view, some argued that there was little personally to be gained from means-testing as they judged it unlikely that this would be accompanied by a reduction in their National Insurance contributions.

The second set of arguments against means-testing related to the potential for inefficiency. Respondents anticipated administrative inefficiency as a result of additional bureaucracy that would be necessary in assessing each individual’s entitlement. They also thought the system had the potential for inefficiency in that it might inadvertently act as a disincentive for work and encourage non-reporting of earnings.

‘You might as well just sit back and watch telly all day and do nowt.’
(Stafford, 1998: female, 18-49 years, working class)

Respondents in both studies were also concerned that means-testing might act as a disincentive to save. Those who had saved were seen as being ‘penalised’ by means-testing, as they would lose entitlement to benefit in contrast to those who had high consumption levels:

‘... look ... two same people, same jobs, they go through life, one scrimps and saves, buys his own house, [the] other one goes out every night drinking, spending on horses and everything, both get laid off, he says I’ve got no money left. [The] other one has saved, he’s got £11,000 in the bank, they say you can’t have any benefit.’ (Stafford, 1998: male, 18-49 years, middle class)

A few respondents were therefore keen that savings should be excluded in any assessment of resources, and argued that savings below a threshold should be exempt. Again, there was no consensus on a savings limit.

‘If you’re working all them years and you’re building all your bank account up ... why should you have to live off your savings that you’ve banked all them years. You should still get the same as what anybody would get.’
(Stafford: female, 18-49 years, working class)
Quantitative findings

The recent (September 1998) module of findings on entitlement to contributory benefits revealed that while some people (25 per cent) would like to see benefits targeted towards those with a low income and savings, the majority (69 per cent) think a person’s contribution record is more important than their means in determining entitlement to benefits. This finding appeared to be linked to general support for the primacy of work in determining entitlement to social security benefits. Most people (65 per cent) agreed that people who have worked should have more rights to social security benefits than those who have not.

The BSA survey has also included questions (in 1993, 1995 and 1996) which enable us to gauge the level of public support for means-testing. Respondents were asked whether they thought a high earner should receive more, the same, or less benefit than a low earner; or whether they should receive no benefit at all. Recognising that the responses were likely to depend on the type of benefit, the question was asked separately in relation to Child Benefit, the State Retirement Pension and Unemployment Benefit. The results are set out in Table 2.4.

Table 2.4: Public support for means-testing: % agreeing that a high earner should receive more, the same or less benefit than a low earner; or whether the high earner should not receive the benefit at all

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>1995</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Benefit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>The same</td>
<td>77</td>
<td>72</td>
<td>75</td>
</tr>
<tr>
<td>Less</td>
<td>7</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>None at all</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>State Retirement Pension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>9</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>The same</td>
<td>77</td>
<td>69</td>
<td>76</td>
</tr>
<tr>
<td>Less</td>
<td>8</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>None at all</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Child Benefit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>The same</td>
<td>55</td>
<td>46</td>
<td>50</td>
</tr>
<tr>
<td>Less</td>
<td>20</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>None at all</td>
<td>20</td>
<td>30</td>
<td>26</td>
</tr>
</tbody>
</table>

Base: all adults 1452 1199 1214

Source: British Social Attitudes survey series
In line with the general trends on the ‘welfarism scale’ (Bryson, 1997) time-series analysis reveals that attitudes towards benefit recipients in general, and the unemployed in particular, tended to harden when the unemployment rate was low. But when this effect is controlled for, the BSA survey series still suggests that there has been a shift in attitudes over time. While there has been an overall reduction in levels of sympathy towards benefit claimants in general, people appear to have become more sympathetic towards the unemployed.

Qualitative findings

The two qualitative studies conducted by MORI and CRSP found that participants tend to distinguish between ‘deserving’ and ‘undeserving’ claimants when discussing their views of benefit recipients. Typically, ‘deserving’ cases were those in which the recipient’s need for benefit had arisen through no fault of their own. For example, a legitimate claim could be the result of either chance or a consequence of the modern labour market:

‘… [If] they lose the job of their own accord, then my feeling is that they shouldn’t get as much money when they do fall out of work as somebody who has tried to keep it and lost it through no fault of their own.’ (CRSP: male, 50-pensionable age, middle class)

‘Undeserving’ cases were described as those who falsely claim benefit to which they are not entitled, and/or those who are not doing their best to try and get off benefits. In line with other studies (see, for example, Chapter Five), the MORI and CRSP studies found that images of ‘undeserving’ recipients were often influenced by media stereotypes. The extent to which respondents accepted these stereotypes was often determined by the level of their own experience of, or contact with, claimants – whether direct or indirect, professional or personal.

Respondents specifically made a link between the existence of ‘undeserving’ cases, and their preparedness to contribute towards social security:

‘… I don’t mind at all contributing to somebody that can’t work. I object to contributing to somebody that can and won’t.’ (Stafford,1998: male, 50-pensionable age, middle class)

The MORI and CRSP studies both suggest that people make general distinctions between different categories of benefit recipient, judging those in receipt of some types of benefit to be generally more deserving than others. For example respondents, particularly the younger ones, in the CRSP study suggested that the circumstances leading to a claim for Jobseeker’s Allowance or Incapacity Benefit must have been beyond the claimant’s control.
The need for a medical certificate was seen as proof that a claim for Incapacity Benefit was 'genuine' and consequently that the claimant should be entitled to benefit (see Chapter Six for a further exploration of views about entitlement to Incapacity Benefit). Lone parents, on the other hand, were seen as being more responsible for their situation.

The extent to which particular groups were seen as 'undeserving' was also seen to be dependent on individual circumstances, as well as the category of benefit they were claiming. For example, respondents in the MORI study made clear distinctions between subgroups of lone parents in terms of their age, the age of their children and the circumstances of their lone parenthood. In general, younger lone parents who had several children by different partners were less likely to be seen as deserving than those that had been in stable relationships but then been divorced or bereaved. Even those who initially stereotyped all lone parents as '16/17 year olds wanting to get council homes' acknowledged, as the discussion progressed, that lone parents claiming benefits included those who did not fit this stereotype. Given these distinctions, a number of participants were concerned that the withdrawal of lone parent premiums for all new claimants, which was being debated at the time of the research, would potentially hit the 'deserving' as well as the 'undeserving'.

Participants in the MORI study also drew distinctions between 'deserving' and 'undeserving' claimants of sickness and disability benefits. The undeserving benefit recipients were viewed as those who 'had dodgy backs' or other ailments which were not felt to preclude them from working.

The identification of 'deserving' and 'undeserving' cases triggered discussion in the qualitative discussions about the extent of fraud in the social security system. Participants in the CRSP study expressed resentment at paying National Insurance contributions and taxes to support those whom they perceived as abusing the system. Media reports of rising levels of fraudulent benefit claims were used to justify the view that there was considerable abuse of the social security system. The perceived prevalence of fraud was seen as a key driving force for changes to the social security system (see Section 2.6 below). Similar findings were found in a number of other qualitative studies exploring attitudes to welfare reform (see, for example, Thomas, Pettigrew and Tovey, 1999).

The British Social Attitudes survey series, however, does not reveal a high level of concern about fraud. While a high proportion (72 per cent) agreed in 1994 that 'many people falsely claim benefits', there were even higher levels of agreement with the idea that 'many people fail to claim benefits they are entitled to' (Table 2.5). This evidence points as much to a view of the system (or its potential users) as poorly targeted, as to one whose users are corrupt.
Many people fail to claim benefits they are entitled to. Many people falsely claim benefits. Base: all adults

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Many people fail to claim benefits they are entitled to</td>
<td>81</td>
<td>78</td>
<td>84</td>
<td>82</td>
<td>83</td>
<td>84</td>
<td>84</td>
<td>80</td>
</tr>
<tr>
<td>Many people falsely claim benefits</td>
<td>65</td>
<td>64</td>
<td>67</td>
<td>70</td>
<td>67</td>
<td>66</td>
<td>69</td>
<td>72</td>
</tr>
<tr>
<td>Base: all adults</td>
<td>1719</td>
<td>1645</td>
<td>1769</td>
<td>3066</td>
<td>2766</td>
<td>2930</td>
<td>2698</td>
<td>3469</td>
</tr>
</tbody>
</table>

Source: British Social Attitudes survey series

More recently, Bryson (1997) found roughly equal proportions in the 1996 BSA survey agreed (35 per cent) and disagreed (31 per cent) that 'most people on the dole are fiddling in one way or another'. Somewhat surprisingly, the BSA data suggest very little change over the period between the mid 1980s and mid 1990s on any of these measures, despite the increased attention paid to benefit fraud. More recent work undertaken by RSGB on attitudes to social security fraud (RSGB, 1998) indicates that the salience of the issue is not related to tolerance in any straightforward way. The latter survey found very high awareness among both claimants and the general public of counter-fraud publicity, including the Fraud Hotline initiated by the last Conservative government. But the same research revealed that while fraud was clearly perceived to be wrong, it was often perceived as less serious than other crimes, and there were relatively high levels of tolerance to certain categories of fraudulent behaviour.

Respondents in the RSGB surveys were asked to compare two types of benefit fraud with a variety of other crimes in terms of their seriousness. The results for the 'general population' sample are presented in Table 2.6. The benefit claimant sample exhibited similar sub-group patterns. While 'using false IDs to claim benefits' was judged to be extremely serious by over half the respondents (55 per cent), 'claiming benefits and not declaring earnings' was thought extremely serious by only one in five of the general population. Women showed generally lower levels of tolerance to all types of crime than men did and older respondents were less tolerant of most crimes than were those under 35 (drink driving and tax evasion being the exceptions).
This apparent tolerance of some types of benefit fraud does not appear to be explained by a perception that fraud is a 'victimless' crime. Eight in ten respondents in both general population and benefit claimant samples agreed that 'people who abuse the benefit system cause other people to suffer as a result'. While the tax-payer was seen as the principal victim (by 70 per cent of the general population, and 54 per cent of benefit claimants), other benefit claimants were also judged to suffer, particularly by claimants themselves: 27 per cent of the general population saw other benefit claimants as victims, compared with 40 per cent of the claimant sample.

Similar proportions of the general population and of claimants said they would be 'very' or 'quite' likely to report fraud - around four in ten of each sample. The main reason given by those who were unlikely to report as not wanting to get involved and fear of reprisals. The main reasons for being likely to report fraud were that fraud was unfair to taxpayers, and that steps needed to be taken to ensure that genuine claimants did not lose out.

Table 2.6 Rating of seriousness of offences: % saying 'extremely serious'  

<table>
<thead>
<tr>
<th>Offence</th>
<th>TOTAL</th>
<th>Male</th>
<th>Female</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drink driving</td>
<td>69</td>
<td>64</td>
<td>73</td>
<td>67</td>
<td>74</td>
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<tr>
<td>Mugging</td>
<td>67</td>
<td>62</td>
<td>71</td>
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<td>65</td>
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<tr>
<td>Using false IDs to claim benefits</td>
<td>55</td>
<td>49</td>
<td>60</td>
<td>45</td>
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<td>60</td>
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<tr>
<td>Pick-pocketing</td>
<td>42</td>
<td>36</td>
<td>47</td>
<td>37</td>
<td>40</td>
<td>48</td>
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<tr>
<td>Tax evasion</td>
<td>28</td>
<td>25</td>
<td>31</td>
<td>27</td>
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<tr>
<td>Claiming benefits and not claiming benefits</td>
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<tr>
<td>Declaring earnings</td>
<td>20</td>
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<td>21</td>
<td>13</td>
<td>22</td>
<td>25</td>
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<tr>
<td>Parking offences</td>
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<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
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<tr>
<td>Base: all in general population sample</td>
<td>408</td>
<td>175</td>
<td>233</td>
<td>112</td>
<td>140</td>
<td>156</td>
</tr>
</tbody>
</table>

Source: RSGB Survey

The findings in Table 2.6 suggest that people distinguish between different categories of fraud, with some being judged more serious than others. Further support for this hypothesis was provided by respondents' reactions to four scenarios depicting different examples of fraud. Greater tolerance was shown to the two scenarios in which an otherwise legitimate claimant increases the amount of entitlement they can get by withholding information from the DSS: for example a lone parent who does not declare a cohabitee; or a recipient of Income Support who receives earnings from doing 'odd-jobs'. Respondents were much more critical of the scenarios where the whole basis of the claim was false: for example using an alias to claim Income Support or a false address to claim Housing Benefit.
In line with the BSA findings, the RSGB survey suggests that people blame the system as well as false claimants for the level of fraud. Table 2.7 presents the responses to a number of statements about the benefit system. While the majority agreed strongly that it was the responsibility of benefit claimants to tell the DSS about their changes in circumstances, responses to other statements indicate that the DSS has responsibilities which it is not always perceived to have met. For example, a sizeable minority (36 per cent) of the general population agreed strongly that ‘the fact it’s easy encourages abuse of the system’. On the other hand fewer than one in ten strongly agreed that the ‘DSS does a good job telling people what they can claim’. Benefit claimants were generally more critical of the system than the general population.

Table 2.7 Agreement with statements about the benefit system: % agreeing strongly

<table>
<thead>
<tr>
<th>Statement</th>
<th>General Population</th>
<th>Benefit Claimants</th>
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<tbody>
<tr>
<td>Benefit claimants have a responsibility to inform DSS of changes in circumstances</td>
<td>70</td>
<td>75</td>
</tr>
<tr>
<td>The government is committed to punishing abusers</td>
<td>37</td>
<td>45</td>
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<tr>
<td>The fact that it’s easy encourages abuse of the system</td>
<td>36</td>
<td>31</td>
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<tr>
<td>The DSS doesn’t do enough to inform claimants on which circumstances affected their claim</td>
<td>26</td>
<td>36</td>
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<tr>
<td>A lot of abuse is unintentional due to the complexity of the system</td>
<td>15</td>
<td>26</td>
</tr>
<tr>
<td>It’s getting harder to abuse the system</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>The DSS does a good job telling people what they can claim</td>
<td>9</td>
<td>17</td>
</tr>
</tbody>
</table>

Base: all respondents 408 314
Source: RSGB Survey

2.4.3 A dependency culture?

As well as exploring attitudes to benefit recipients, the BSA series allows us to consider the extent to which the public believe the welfare system is creating a dependency culture among benefit recipients. The findings reveal some support for the general view that the welfare state has made people less willing to look after themselves (Bryson, 1997). Over four in ten people (44 per cent) agreed with this view in 1996, while three in ten disagreed. However, there was less agreement with the suggestion that benefits actually prevent people from standing on their own two feet (33 per cent). Bryson (1997) concludes that rather than either blaming benefit recipients or blaming the welfare system, many people blame both – but that most people blame neither.
Trends in attitudes towards the ‘system’ over time suggest that, in line
with support for welfare more generally, concerns about the system
creating a dependency culture fell in the early 1990s, but rose again in
the middle of the decade (Table 2.8).

Table 2.8: Trends in attitudes towards the welfare system as
creator of a dependency culture

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<td>% agreeing that...</td>
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<td>The welfare state</td>
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<td>willing to look</td>
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<td>after themselves</td>
<td>52</td>
<td>39</td>
<td>33</td>
<td>41</td>
<td>44</td>
<td>47</td>
<td>44</td>
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<td>If welfare benefits</td>
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<td>weren’t so generous</td>
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<td>people would learn</td>
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<td>to stand on their</td>
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Source: British Social Attitudes survey series

One of the main thrusts of welfare reform is to promote partnership in
the provision of welfare services. The government would like to see a
situation where people with the means to do so make greater provision
for themselves, through schemes offered by the private and voluntary
sectors as well as the state. This is already happening on a relatively large
scale in the pension provision arena. It is estimated that just over three in
five people of working age are active members of (i.e. currently
contributing to) a second tier pension. The next chapter explores attitudes
towards pension provision in greater detail, but this section reviews some
of the available evidence on public attitudes to private provision of benefits
more generally.

The available evidence is currently fairly limited. While we know from
a variety of sources, including the Family Resources Survey commissioned
by DSS, what proportion of people (and with what characteristics) have
already opted to provide themselves with private insurance policies, until
very recently little work had been done to understand the motivations
and attitudes towards private provision. In particular, little research has
been done to explore the attitudes of those who do not have access to
any financial products or services at all, estimated to be one sixth of the
adult population (Kempson and Whyley, 1998).

2.5 Public versus private welfare

13 New questions have been introduced in the welfare module included in the 1998
British Social Attitudes survey, which asks about attitudes towards saving and views
on the appropriate locus of responsibility (government, employer, individuals) for
providing for people in a variety of contingencies (eg retirement, unemployment).
Data on these questions will be publicly available late in 1999.
A recent study from the Joseph Rowntree Foundation (Burchardt et al., 1999) contributes to our understanding about the extent to which people use private welfare services, and the relationship between use of and attitudes towards private welfare. The analysis is helpful in suggesting that a straightforward split between 'public' and 'private' welfare is overly simplistic. Instead, the authors suggest that at least three dimensions need to be considered in determining whether welfare activity is public or private: who provides the service; who pays for the service; and who decides the provider and/or the level of service.

The study indicates that use of key forms of private welfare has been growing among all income groups, but has been at a much higher level for those with high incomes. However, there was little evidence of a discrete group of private welfare users: users of private services were also likely to be using some public services; and many of those using one private service did not use any others.

The Joseph Rowntree Foundation study also explored the link between the use of private services and people’s attitudes to both public and private welfare, in particular to consider whether use of private services is linked to ideological hostility to public spending on welfare, or is simply a reaction to inadequate public services. In the case of health care services, there was some indication that private users were slightly less supportive of the 'universalist' principles underpinning the National Health Service, even before they had used private services. However, there was no evidence for the idea that using private health care, by comparison with public services, leads to a change in attitudes that might undermine support for the NHS. However, the analysis also suggests that different categories of welfare service are likely to generate different attitudinal responses because of the variation in the ways private sector involvement relates to public provision.

Perceptions of risk and contingency planning

One of the factors likely to affect people’s propensity to take out policies to insure themselves against potential contingencies is the extent to which they perceive themselves as being at risk. The qualitative study conducted by CRSP revealed a high level of reluctance, on the part of participants, to think about how they would cope with unemployment, incapacity or retirement. Many preferred instead to discount future consumption in favour of current consumption of goods and services by minimising expenditure on (private) insurance:

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4 The study adopts a broad definition including housing, social security, education, health and personal care.
‘... If Mystic Meg said actually you’re going to be really ill in six months time, you think oh, I’d better do this. But people don’t think like that. ... It’s somewhere off in the future that you don’t have to worry about it. And so you make this choice here to pay less ... and later on you find that you’ve caused yourself a huge problem by not doing it. But everybody would do that if they can pay less.’ (Stafford, 1998: female, 18-49 years, middle class)

On the other hand respondents in this and other studies (see, for example Hedges 1990; Thomas and Pettigrew 1998c) were aware that this was something they ought to think about, and that this was what the government is encouraging people to do. The general consensus in a number of studies was that people could no longer expect the state to provide for them in retirement or in other situations, although there were exceptions to this:

‘I think we all know that the pension is going to get less and less and that we will actually be compelled to provide - or people coming behind us surely - their own pension, as we are with private medical care and everything else...I think it’s inevitable. We’ve seen the writing on the wall for the last few years and there’s stronger rhetoric towards it. And I think that you’ve got to be really very deeply in the sand not to recognise that this is going to come.’ (Thomas, Pettigrew and Tovey, 1999: Male employee, aged 55+, £10k-£20k, with occupational pension)

The CRSP study (Stafford, 1998) revealed that when people did think about the possibility of unemployment, sickness or retirement, one of their main concerns was to maintain their standard of living. There was a perception that the level of many benefits, which were already seen as low, would drop further or be removed altogether (see also Fabian Society, 1998). The future of the state retirement pension was seen as particularly uncertain (Hedges, 1998; Thomas, Pettigrew and Tovey, 1999).

As a result, people were willing to contemplate alternative forms of provision, most notably through the private sector. Indeed, a number had already covered themselves in this way: some, for example, expected their employers’ sick pay schemes would afford them some protection if they were incapacitated. Others (both working class and middle class) were confident about surviving financially because they had private insurance policies to cover credit cards and mortgage repayments in the event of sickness and/or unemployment. Respondents with occupational and/or private pensions - mainly, but not exclusively middle class respondents - generally believed they would cope with retirement.
However the CRSP study, in line with many others, also revealed a certain level of mistrust of private sector provision. There was a particular concern that the private sector would seek to make a profit out of people’s misfortunes, for example by charging premiums that would be higher than ordinary people would be able to afford. There were also fears, based on experiences with more conventional forms of household insurance, that under a private insurance scheme valid claims might take time to resolve, be only partially paid, or possibly not paid at all. In relation to pension provision, there is some residual mistrust as a consequence of the mis-selling of personal pensions, and the scandal of the Maxwell pension fund.

2.6 The need for change

A number of the focus group studies explored respondents’ views of welfare reform in an attempt to set their views on specific issues in context (MORI, 1998; Thomas and Pettigrew, 1998b; Thomas, Pettigrew and Tovey, 1999). These studies were conducted at different stages of the welfare reform process: for example, the MORI focus groups were held prior to the publication of the Welfare Reform Green Paper, while the other studies were conducted in the early and late summer of 1998. The general findings are presented in this final section.

2.6.1 Views on being consulted

Feedback from researchers on qualitative studies suggests respondents were generally positive about taking part in government consultations, frequently taking from this the message that the government was interested in their views and opinions. However, there was also some scepticism about the process. Some were suspicious that their views would only be listened to if they happened to be in line with government thinking. This was underpinned by an assumption that at least some of the policies had already been developed, and that the focus groups were presentational rather than truly consultative.

“I’d like to think they listen. I’m not sure to be honest [whether they do]. You tend to take the view that if they’ve made up their minds they’ll go that way, take that route. I hope they will listen to various people. I think there are good comments coming out of these discussions.” (Thomas, Pettigrew and Tovey, 1999: Male, self-employed)

2.6.2 Awareness of welfare reform

The term ‘welfare reform’ was not always familiar to group participants (see, for example, Thomas, Pettigrew and Tovey, 1999) but there was a general recognition that the benefits system was changing. Overall, few people had any conception of the scale of reform that the government was considering, although a few details had entered the public consciousness: the feeling that something needed to be done about pensions and fraud was particularly prevalent.
Awareness of the specifics of welfare reform was partly determined by timing of groups. For example, the MORI groups on attitudes to welfare reform were conducted in the wake of media attention on lone parents: they therefore identified this as a key aspect of welfare reform. More generally, there appeared to be high awareness of the New Deal programme, coupled with an understanding (and approval) that this was geared towards getting people off benefits and into work.

There was also recognition that the rights and responsibilities of the state vis-à-vis the citizen were under review, with greater emphasis to be placed on the individual.

2.6.3 The case for change

Respondents were able to describe a number of reasons why the welfare system needed to change. It was felt that one of the main drivers for this was the need to contain spending, as there would not be enough money to go around. Changes were therefore felt to be inevitable and necessary. Suggested priorities for reform implied acceptance of a broad definition of the welfare state: participants in more than one study cited the decline of the National Health Service, school class sizes and nurses’ pay as areas that were in need of attention. More specifically, in relation to the social security system, respondents saw a need for tightening up of system abuses, which were perceived to be rife. Lone parents and ‘foreigners’ were frequently singled out as the key perpetrators of fraud.

Participation in focus groups prompted a number of respondents to reflect on their own lack of knowledge and understanding of the benefits system. Some argued that this also underlined the need for change. There was a strong desire for the government to be more transparent especially in explaining how National Insurance works and the ways in which contributions are used. Similarly respondents wanted the government to explain what was going to happen to the State Retirement Pension, to help them better plan for their futures.

As will be seen in later chapters, participants in a number of focus group studies were dissatisfied with the current system in relation to the specific areas they had discussed. There was general support for many of the principles underlying reform, but there were sometimes suggestions for alteration to the detail.

One of the principles that received most support was the idea that the receipt of benefits should be subject to the fulfilment of conditions. There was also support for the welfare state to be the provider of services to support and help people back into work, as well as a provider of cash benefits. People were less clear on what should happen if claimants did not fulfil their conditions. It was thought that withdrawing most or all of the benefit payment would not be effective, particularly if children were also penalised as a result.
Support for a broadly defined 'welfare state' - which includes education and health provision as well as social security benefits - appears to be high, although levels of approval have fluctuated over the past decade: attitudes generally became more 'pro-welfare' between 1987 and 1993; but more anti-welfare' from 1994 onwards (Bryson, 1997). An important measure of support for the welfare state is people's willingness to pay for it. Over the last ten years at least, people have been more likely to say they would prefer an increase in taxes to fund more spending on health, education and social security benefits than to keep taxes and spending the same, or to reduce them (Taylor-Gooby, 1995). However, when forced to choose, education, health and pensions were seen as greater priorities for additional spending than unemployment benefits. There was some evidence that people's views about the welfare state were, at least to some extent, underpinned by self-interest.

Levels of knowledge and understanding about the social security system and how it is funded were generally low. People found it difficult to distinguish between contributory benefits, where entitlement depends on a person's National Insurance contributions; contingency benefits, which are paid for because an individual is in particular circumstances; and means-tested benefits where entitlement is based on income and/or savings. In particular, they had little understanding of how the National Insurance system works and what they could expect from it. While in principle people supported the notion of a National Insurance system in which entitlement to benefits is earned through contributions; in practice, National Insurance was often seen as 'just another form of tax'.

People held different views about the extent to which the National Insurance system should provide security for everyone, or whether resources should be targeted at those in greatest. In general, people appeared to be generally supportive of a system based on the principle of 'social solidarity', were broadly in support of risk-pooling and were prepared to consider, but more conservative in their views about, redistribution. That said, some people adopted an individualistic approach to National Insurance, seeing it as a financial transaction that gave them rights to a range of insurance benefits in return for contributions. Others held more altruistic attitudes, being content to pay contributions as a means of supporting the more vulnerable members of society. A few people preferred to make their own private arrangements for insurance, through non-state provision (Stafford, 1998).
Some people said they had already bought private policies to cover themselves in certain contingencies but, with the exception of pensions, this was not commonplace in any of the studies. There was some reluctance to think actively about, and plan for, ‘negative’ contingencies like unemployment and sickness, and many people preferred to prioritise current spending over the possibility of future need. While some people were adamant that the state should provide support in all such contingencies (including retirement) there was a willingness to contemplate alternative forms of provision. That said, the studies indicated a certain level of mistrust of private sector provision as well as a feeling that some of the products currently on offer were inappropriate.

The public appeared to be generally uncomfortable with the idea of means-testing social security benefits in general and contributory benefits in particular. There was greater willingness to consider means-testing for Child Benefit than other benefits. Those who supported means-testing did so because benefits were targeted towards those in most need, and those with ‘excessive’ income were not given unnecessary state help. Objections to means-testing stemmed from a number of arguments: that the link between paying in and ‘getting out’ (the contributory principle) should be maintained; that there was a danger of hardship; and that such a system would be administratively complex and was therefore likely to be inefficient.

The extent to which people supported a redistributive welfare state was at least in part dependent on their perceptions of welfare recipients. The majority of the public appeared to believe that benefit recipients were generally deserving of state support, but some categories of people were considered more deserving than others. Typically, ‘deserving’ cases were those in which the recipient’s need for benefit was perceived to have arisen through no fault of their own: for example because they have become sick, or been made redundant. ‘Undeserving’ cases included those who have falsely claimed benefits to which they were not entitled and those who were not thought to be doing their best to get off benefits.

A number of qualitative studies highlight public concern about fraud, which was often raised in discussions about willingness to pay more for social security. However, quantitative studies found benefit fraud to be considered less serious than other types of crime, such as mugging and drink driving, and that some forms of fraud received greater acceptance than others. There seems to be greater tolerance towards those who are entitled to benefits, but seek to increase the amount through undeclared work or withholding information than towards those for whom the whole basis of the claim is false. Inefficiency within the social security system is seen to be at least as great a problem as fraud.
The term ‘welfare reform’ was not always immediately recognised, although there was awareness that the benefits system was undergoing change. This change was often seen as inevitable and necessary, although few people were aware of the scale of reform being considered by the government. People were, however, able to identify a number of priorities for action. In particular, they saw the need to contain spending, to develop a more simplified and transparent system, and to tackle fraud.
3 PENSION PROVISION

3.1 Introduction and policy background

3.1.1 Policy background

This chapter is edited by Teresa Williams, DSS Social Research Branch, and based on original research by Alan Hedges (Independent Consultant) and Andrew Thomas, Nick Pettigrew and Paul Tovey (BMRB International Ltd).

One of the principles of welfare reform is the need to ensure people have decent incomes in retirement. While the state basic pension, funded through the National Insurance system provides a basic level of support for those with an adequate contributions record, the government sees second-tier pensions, which provide over and above the basic state level, as the key to ensuring sufficient income in retirement. At present, second-tier pensions can be provided by the state through the State Earnings Related Pension Scheme (SERPS); through occupational schemes provided by employers; or through Personal Pension Plans. It is estimated that some three-fifths (62 per cent) of the working-age population are currently contributing to a second-tier pension.

In July 1997, the government announced details of a wide-ranging review of pension provision which would further develop the initial ideas set out in the Welfare Reform Green Paper. The review needed to address ten key challenges:

• To achieve a sustainable consensus on pension policy so people can properly plan for the future.
• To agree where the responsibility for funding pensions should lie; and to establish the right balance between the public and private sectors.
• To respond to demographic change.
• To respond to social and labour market change: to ensure our pension system provides for everyone – men and women, full-time and part-time workers, the self-employed, those in permanent jobs and people on short-term contracts.
• To ensure resources devoted to pensions are used to maximum effect: so that every penny available for pensions is used as effectively and efficiently as possible.
• To strike the right balance between the generations: we must look at the position of today’s pensioners, as well as facing the challenge of providing for the future.
• To narrow the pensions gap between men and women to give greater security in retirement.
• To get the regulation of pensions right so that people are confident their pensions are secure.

15 For employees earning above the lower earnings limit of £64 per week.
16 These 10 challenges were set out in the report of the Pensions Provision Group (page 3).
To raise awareness of pensions and improve the level of financial education so that people understand the importance of saving for their retirement and make the right choice about what sort of pension is best for them.

To tackle the growth in pensioner inequality.

At that time, an independent representative group of pension experts - the Pension Provision Group (PPG) - was set up to contribute to the government's Pensions Review by providing advice about the current levels of pension provision in the UK, and likely future trends. The Pensions Education Working Group (PEWG) was also set up to look at ways of improving education and awareness of pension issues.

In December 1998, the government published its proposals, for further consultation, in its command paper, 'A new contract for welfare: Partnership in Pensions' (Cm 4179). The key features of these proposals were:

- An assurance of a secure and decent income in retirement for all through a new minimum income guarantee.
- Targeting of resources to provide a marked increase in the pension payable to those on low incomes, and those unable to work – for example, because they are caring for children or a relative who is ill or disabled.
- A new State Second Pension will give those on low incomes an incentive to save more.
- A better deal for middle and higher income earners through low cost and flexible personal stakeholder pension schemes backed by extra government support.
- Better regulation to restore confidence in the system, including a new role for the Financial Services Authority.
- Better information on schemes, and on people's own need to save. This would include an annual statement for all those in public and private schemes detailing their current predicted pension so that people can see for themselves if they should save more for retirement.

3.1.2 The studies Two qualitative studies were commissioned to inform the government's review of pension provision. As well as exploring public knowledge, attitudes and behaviour in relation to different aspects of retirement provision, both studies tested participants' views about the future of pension provision and options for reform.
The first study focused on pensions and retirement planning, and was conducted during the Autumn of 1997 by Alan Hedges, an independent researcher. Sixteen focus groups were conducted in eight areas to explore public knowledge, attitudes, values and behaviour in relation to their retirement provision. The groups were selected to cover a broad cross-section of pension provision, sex, age, employment status and socioeconomic group. Given the complexity of the subject matter, a number of stimulus materials were prepared as a means of presenting information on the workings of the pension system as well as about future options.

The second study, conducted in the summer of 1998 by BMRB International, followed up some of the issues explored in Alan Hedges' research. In particular, the study was designed to explore reactions to the idea of compulsory second-tier pension provision. This issue was considered in the context of people's more general attitudes to saving and retirement planning. The research was wide-ranging, taking into account the views and attitudes of people who were employed, unemployed and in self-employment.

A combination of focus groups and depth interviews were employed in order to capture a range of opinions as well as sufficient detail about individual circumstances. In total eight group discussions and eight depth interviews were conducted with the general public; and seven 'mini-groups' and twelve depth interviews were conducted with the self-employed. The participants were selected to reflect a broad range of characteristics, including sex, age, life-stage, and pension provision. Given the heterogeneity of the self-employed population, different types of self-employment were included: those in 'traditional' forms of self-employment, some with and some without business assets; and contract self-employed in the professional and semi-skilled sectors. Both the self-employed and general population subgroups were sampled from one of three income groups: under £10,000 per annum; between £10,000 and £20,000; and over £20,000.

3.2 Pensions and retirement planning

3.2.1 Planning for retirement

Expectations of retirement

People's general perceptions of retirement provide an important context for pension planning and decision-making, and the recent qualitative studies by Hedges (1998) and BMRB International (Thomas, Pettigrew and Tovey, 1999) explored this area as a prelude to more detailed questioning about provision. Many people do not think about retirement until they get to a certain age (often their forties and fifties). 'I haven't really thought about it' was a common response among participants in their twenties and thirties - and was sometimes heard even among older groups.

17 Given the complexity of the subject matter, two groups were 'reconvened': the same people were brought back for a second session to enable them to reflect on the issues and take in more information.
In a minority of cases there was evidence of more sophisticated longer term planning, but more generally people revealed a reluctance to think about retirement in detail. This was partly because of negative associations with ageing; but also, for younger respondents in particular, because retirement seemed such a long way off and ‘the last thing you want to think about at this age is when you retire’ (Thomas, Pettigrew and Tovey, 1999: female, general population, 18-24, £10-£20k). The barriers and triggers to making specific plans for retirement are discussed in more detail later in this section.

It was rare, then, for people some way below retirement age to articulate clear plans for retirement. The BMRB study (Thomas, Pettigrew and Tovey, 1999) revealed a wide range of expectations around retirement with some respondents expecting to retire ‘early’ when still in their fifties, while some of the self-employed participants did not intend to retire at all. The same study, which specifically included a range of self-employed participants, suggested that this group tended to be more definite in their views. This was largely linked to a realistic assessment of their financial position. Those who intended to retire early had typically built up considerable business assets or had been able to invest significant sums over the years. Others were unsure if they would be able to afford to retire at all. Included among this latter group were some of the ‘reluctant’ self-employed who described themselves as having been forced into, rather than chosen, their employment status.

While both studies revealed some bleak expectations of retirement, based on images of poverty and infirmity, there was also evidence of some more positive expectations. Many participants associated retirement with increased leisure activity and travel, and freedom from the drudgery of work. For a few, the expectation of continued work was based on the enjoyment they took from their work.

The cost of retirement

Expectations for retirement were underpinned by some broad-brush financial assessments, but both studies revealed a general lack of awareness of the cost of living in retirement. There was some recognition that costs in retirement were likely to change as a result of general life-cycle changes and ceasing to work. Some outgoings were expected to reduce, most notably housing costs (for those who own their homes), travel expenses, and the cost of bringing up a family. Pensioner concessions were also mentioned.

‘When you’re in your thirties and forties you’re bringing a family up, you’re buying things for home and all like that, and when you get to 65, hopefully, you’ve got it more or less.’ (Hedges 1998: pensioner)
On the other hand, there was also awareness that some costs would increase: for example heating bills and costs incurred through sickness and disability. The Hedges study found costs of health-related care were seen to bear increasingly heavily, especially because of charges made for services - such as home helps, prescriptions and care assistants - which had previously been free. Participants in this study also pointed to the potentially high costs of residential care.

Younger people often felt that their retirement costs would be higher than the current generation of pensioners because they had higher expectations, were used to going out and spending money; and had less frugal and less disciplined habits.

Overall, respondents in both studies had poorly formulated ideas about how income in retirement should relate to income in work. Most people did not feel they should expect the same income after retirement as they had in work. Respondents in the BMRB study suggested that two thirds of their final income was an appropriate ‘ballpark’ amount to live on. There was, as we have seen, a recognition that some costs may reduce, and it seemed fair to many that they were likely to have to cut back a little - but in general people felt they should be able to protect their general lifestyle, and should not have to reduce their quality of life too drastically.

People thought that retirement income ought to be sufficient to enable people to live without hardship or perpetual worry, but it was felt that the low level of the basic state pension meant that this was rarely the case for those dependent on it. In considering their likely financial needs in retirement, respondents were acutely aware that the basic state pension would be very unlikely to provide them with the standard of living to which they aspired (see Section 3.5.1 below).

Awareness of own position

In line with the uncertainty about how much income would be necessary in retirement, both qualitative studies revealed very little knowledge or understanding among respondents of how much retirement income they were likely to have in practice. This was partly because of built-in uncertainties – including the effects of inflation, future rates of investment growth, and future annuity rates - surrounding pension projections. It also reflected the fact that both information and comprehension were limited. Younger respondents were particularly in the dark. Having relatively little experience of work and little idea of their earning potential, they could not even begin to consider what their retirement income was likely to be.
Those individuals who had private pensions - whether occupational or personal - had usually received a set of statements or projections about how much these were worth. Reactions to these were mixed. Younger people tended to show little interest in them. But even those who had been contributing to schemes for some years did not necessarily find the information useful. Periodic projections and statements were often felt to be full of jargon, so many did not seriously try to work out what they mean. Projections for personal pension plans, which were often based on a 'money purchase' formula, were felt to be particularly confusing. They were often presented as ranges, which were so broad as to be meaningless, with some suspicion that projections were deliberately unclear in an attempt to persuade people to increase their payments.

"They send me a statement every so often saying things like 'sum assured' and 'units... amassed', and things like that. There are figures and numbers but I don't really understand - there are figures like £8,000 but what that means, I don't know .... I haven't got a clue what they mean and 'Would I like to top my pension up?' - that's all I get from them." (Hedges, 1998: Male, 35-44, C, DE)

There was also awareness that amounts were not guaranteed but there was less understanding of the factors that might underlie changes to the amount payable. This lack of understanding sometimes left people with a perception that pension companies were being evasive.

"They predict what you're going to get when you're a certain age but that doesn't mean to say you're going to get it so you don't know for certain.' (Thomas, Pettigrew and Tovey, 1999: Male, 55+, £10-£20k)

Sometimes people simply assumed that their personal pension 'must' be a good thing to have, without any real notion of what it might be worth. However, when respondents in the Hedges research were presented with example illustrations of what a personal pension plan might pay out, they were frequently surprised to find it was far less than they had expected.

Very few people in either study were aware that they could get a forecast of the state pension. Indeed, many found the idea that DSS would provide forecasts improbable, even laughable. This suggests that not only were they unaware that the service exists, but that they did not think it likely enough to be worth asking about. There was a tendency to assume that even if the service existed, getting an answer would involve a lot of hassle. This appeared to be based on an underlying perception of DSS as an inefficient, and sometimes less than willing, information provider although it was not clear whether or not this was based on experience.
There was, however, support for the idea of a forecasting service which would help people know where they stood. It was thought this would help people to budget as they approached retirement, but also to plan options at an earlier stage. There was also a more specific desire to be told more about what happens to their National Insurance contributions:

‘You’re never informed on how well you’re doing - I mean you pay your stamps in, but there’s always this question mark, ‘Have I paid enough?’ One always hopes you’re going to be told annually or every five years.’

(Hedges, 1998: Male, 35-44, ABC)

A very few respondents in the BMRB study (Thomas, Pettigrew and Tovey, 1999) had obtained projections of their state retirement pension, and were often surprised at how little they had accumulated.

Attitudes to planning and saving

To properly set retirement planning decisions in context participants in the BMRB study were asked about their saving activity more generally. Some of the general public and the self-employed did not save at all. Typically these were younger people and/or those on lower incomes. A number of the self-employed did not save explicitly, although this was sometimes because they preferred, or needed, to invest their money into the business.

‘I do think [saving] is a very good thing but it is difficult for me at the moment, with this being a relatively new business. I have put quite a lot of money into the business, so it is difficult to put money aside.’ (Thomas, Pettigrew and Tovey, 1999: female, self-employed, < £20k, with personal pension)

Participants in this study generally saw savings as being distinct from pension arrangements, although the self-employed often made a link between savings and retirement provision. While pensions were seen as tying up money for the longer term, savings were usually intended for meeting more immediate needs, such as for holidays, consumer goods or for children. Savings were typically made on a regular basis into bank and building society accounts precisely because this would allow withdrawals to be made when they were needed. Some self-employed participants also made use of short-term business savings to cope with seasonal fluctuations in income, or to help cope with tax bills. There was virtually no consideration of the possibility of building up a savings fund in order to convert them into an income for retirement.
There was some evidence of medium-term savings (which respondents defined as being between five and fifteen years in duration) which were for larger items of expenditure such as children's education or house deposits. There was little evidence of long-term saving amongst the general public\textsuperscript{19}. However, some of the self-employed - typically those with greater levels of financial awareness - and a minority of the general population had longer-term savings such as deposits in a building society, PEPs, TESSAs and stocks and shares.

The ability to save among the general public and self-employed was essentially based on four factors: income, life-stage, spending priorities and attitudes towards saving. Income, life-stage and spending priorities tended to interact in their influence on the ability to save. For example, some younger people had relatively high disposable incomes but were at a life-stage when socialising and purchasing clothes were of a higher priority than saving for retirement.

`In my mind it is important to save for the future. When you are 18 you are not looking out for when you are fifty; the furthest you are looking forward is that night.' (Thomas, Pettigrew and Tovey, 1999: Male, 45, £10-£20k)

Older respondents with mortgages and/or children were often more well disposed to the idea of saving, but often found that in practice their outgoings had increased leaving insufficient money for saving purposes.

A person's desire to save was also determined by more deep-seated attitudes towards saving, although the relationship with behaviour was not always direct. Many respondents saw value in saving on a medium and long-term basis, even if their circumstances meant they were unable to act on this at present. A number of respondents - across all age and income groups - took a 'living for today' approach to life and could not see the point in saving money. There was some feeling, among this group, that saving in later life could well be a waste, especially as one would be less active and unable to enjoy it.

`You have got to enjoy it when you are young. All these people that save and save, they are going to be loaded when they are 65 but they will have no energy to do nothing.' (Thomas, Pettigrew and Tovey, 1999: Male, 25-39, £10-£20k)

A few respondents felt that there was little need to save since they could always rely on state support - whether in the form of benefits or retirement pension - in times of need.

\textsuperscript{19} It should be remembered, though, that the general public sample in the BMRB study was deliberately selected to reflect those on lower incomes.
Both the Hedges and the BMRB studies confirmed that younger people were least likely to feel the need to save despite the fact that they often had higher levels of disposable income. While the received wisdom with respect to pensions is that it is important to invest early, this is exactly the time when the attitudinal barriers to saving are likely to be highest.

**Barriers and triggers to saving for retirement**

Not surprisingly, the factors influencing people's decisions about putting aside money for their retirement were linked to those that influence saving behaviour more generally. However, both studies identified a number of barriers and triggers that are specific to pensions and retirement planning.

Very often, the decision to set up a pension policy had not been particularly pro-active. A number of respondents had taken out a pension in response to an offer from an employer. Others had been encouraged by a financial advisor, accountant (especially among self-employed respondents) or an insurance salesman. The possibility of opting out of SERPS, and the associated financial incentives, had often acted as the specific trigger in these situations. Some younger participants had been influenced - this being described variously as encouragement or nagging – by their parents. In one instance, parental encouragement was in the form of a lump sum gift with the specific request that it was used to start a pension scheme.

Setting up a pension scheme could also be triggered by a fear of doing nothing. A number of people had been influenced by media reporting of the state pension scheme: that it was not enough to live on; that it would definitely decline over time and that it might even be abolished. For some, this had been coupled with closer-to-home experience of observing parents or relatives barely managing on a low income in retirement.

Thinking about retirement planning was sometimes precipitated by life-stage changes, especially where these led to the need to review finances more generally - for example changing employment, being made redundant, or becoming unable to work through sickness. Reaching middle age, when the need to plan becomes more pressing, was described as a trigger by many. Getting married and having children had also acted as a prompt for a number of people, as had the reverse processes of bereavement or relationship breakdown. Women described themselves as particularly vulnerable in these latter situations – they had frequently been expecting to benefit from their partner's pension and could sometimes find themselves left with little or no provision. Research into pensions arrangements on divorce has been explored in a separate programme of research and is not covered here (Field and Prior, 1996; Prior and Field, 1996).
Self-employed respondents identified additional triggers to setting up pensions. For some, the process of leaving the ‘safe haven’ of employment, to enter self-employment, had been accompanied by a realisation that they would now be entirely responsible for their own financial future. The perceived tax advantages of personal pensions were also described as particularly attractive.

More salient in discussion than the triggers were the perceived barriers to taking out a pension. As we have seen, a key barrier was the perceived remoteness and uncertainty of retirement for many people, which made it difficult to plan. In line with the discussion about savings more generally, a major hurdle to setting up a pension for those on low incomes was insufficient disposable income. People recognised that this was partly a matter of priorities, but many felt they did not have sufficient room for manoeuvre to tie up money in long term pension schemes. Some, for example, had debts and felt that it was more prudent to service these than to contribute to a pension scheme.

The perceived complexity of the available pension options was a further barrier to take-up together with a lack of understanding about how much it would be necessary to save. This was frequently coupled with a general mistrust of the ‘hard-sell’ approach of the pensions industry, particularly in the light of the mis-selling of personal pensions, which had entered the consciousness of most respondents. In addition, the Maxwell scandal had left many with a residual mistrust of private sector provision: even though the scandal related specifically to a company pension scheme, it was also linked to personal pensions in the minds of a number of people.

For some of the more financially sophisticated respondents, pensions did not seem to offer a very good rate of return in comparison with other financial products, or were seen as less reliable. Those self-employed participants who had sufficient income and assets to allow them to place their money into a wide portfolio of financial products were particularly likely to hold this view.

Finally, placing scarce disposable income into pension provision was seen by some as something of a gamble. Despite the general recognition that people are living longer these days, there were respondents for whom the possibility that they would die young and lose everything was a significant barrier to saving.

‘My sister is only 23 years old and started a company pension scheme. I don’t believe in it. When she does retire at 55 or 60 years of age and she’s ploughed loads of money into it what’s going to happen to it? She may die, what’s going to happen to her money?’ (Thomas, Pettigrew and Tovey, 1999: Male, 25–49, self employed, state pension only)
Further barriers to provision for retirement related to particular characteristics of different types of pension arrangement. These are explored in more detail in the next section.

3.3 Knowledge and understanding of different sources of retirement income

Respondents in both qualitative studies (Hedges, 1998; Thomas, Pettigrew and Tovey, 1999) described themselves as confused about the range of pension choices available, and how these relate to each other. This section looks in more detail at their knowledge and perceptions of different types of pension available. Where appropriate, reference will be made to quantitative findings from elsewhere.

3.3.1 State pensions

In line with the findings of a number of quantitative studies (for example, Williams and Field, 1993; ONS 1994), participants in both qualitative studies were generally unclear how state pensions were funded. Some knew that state pensions are basically funded from National Insurance, but others thought they came partly or even entirely from general taxation. Whatever the assumption about the source of funding, there was usually a feeling that making payments into the system resulted in an inalienable right to pension entitlement, even for those who do not ‘need’ it. This feeling of having specifically ‘paid in’ seemed to be stronger in relation to pensions than for other social security benefits among respondents in the Hedges study.

National Insurance contributions

More generally, as we saw in Chapter Two, the distinction between National Insurance and taxation was not generally understood. There was often considerable impatience about the perceived lack of transparency in the way the National Insurance fund is spent by the government, with an underlying suspicion that it is providing less value for money as time goes on.

People in both studies were generally unaware of how much they were paying in - not only because of confusion about funding sources, but also because even those who know the money comes through National Insurance were not sure what proportion of their contributions goes to pay for pensions19. The perception among those below retirement age was that the state pensions represented a raw deal in that the level paid out does not reflect the amount paid in even where people have a full lifetime of contributions behind them. This feeling that state pensions represent a raw deal was partly attributable to people’s lack of awareness about SERPS and about what proportion of their National Insurance contributions go towards their pension. It also received some grounding from basic state pensioners in the Hedges study who felt the level of pension they were getting now was insufficient and expected that the situation would be even worse in future years.

19 Some respondents in the BMRB study were not sure how much they pay in National Insurance contributions more generally, although the self employed appeared to be clearer on this.
While many of the self-employed displayed higher levels of awareness than the general public about their National Insurance contributions, there was often a lack of knowledge about the role of Class 4 contributions and whether they had an impact on their state retirement pension. However, a small number of the self-employed sample were very aware that Class 4 contributions were not pension-related. Seen as 'just another way of milking people for money' there was considerable anger that such contributions were required (Hedges, 1998).

**Basic state pension**

Everyone over state pension age gets the basic state retirement pension if they have paid (or been credited with) enough National Insurance contributions during their working life. There were almost universal levels of awareness among respondents in both studies of the existence of the basic state pension, and some also knew about the link (but not the precise details) with National Insurance contributions. More generally, people had a sense of building up a 'right' to the basic state pension through work.

The amount of the basic state pension payable was perceived to be low, although there was considerable vagueness about the exact sum. Suggestions from participants in the Hedges (1998) study were usually in the range of £35 to £80 per week, but occasionally higher or lower. The amount of the basic state pension was sometimes confused in people's minds because the sums actually received can be either lower than the full amount, or higher if they are in receipt of other benefits or SERPS. When presented with the actual figure for the basic state pension, there was considerable anger that the level was so low, and a general perception that it was insufficient to live on. Younger people, in particular were often incredulous at the idea of living on £60-£70 a week:

'If you didn't have a car, you lived on your own, and ate crappy meals and had one gas fire, you might survive.' (Thomas, Pettigrew and Tovey, 1999: male, 25-39, £10-20k)

'If you're a single person, pensioner, and you've got £65 - I mean it is destitute, you couldn't live - well I couldn't live on sixty five.' (Hedges, 1998: male, 18-34, Swindon)

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20 At the time of the study, the full basic state pension for a single person was £62.45
Respondents in the Hedges study were asked how much they thought the basic state pension should be. It was generally felt that it should be set at a 'human level' that anyone could live on. Most thought £80-£120 per week would be a 'fair' amount for a single pensioner. Only a small minority in this study thought the existing level of the basic state pension seemed reasonable, a view that tended to come from two extremes. It was expressed, first, by people of working age who were themselves living on benefits, and who would be about as well off living on the basic state pension. Second, this view was put forward by a minority of those who themselves had (or expected) a much larger retirement income (and who sometimes seemed out of touch with the realities of life at the subsistence level).

There was a common perception that basic pensioners had become worse off over the years, although the reasons for this were rarely understood. Participants in both studies (Hedges 1998; Thomas, Pettigrew and Tovey, 1999) were highly pessimistic about the future of the state pension, with many assuming that the amount would decline. Some people regarded the resources for pensions as a fixed pot, which was being steadily depleted, and this further underpinned their pessimism about the future of state pensions. Many thought that the basic state pension was going to disappear and a few believed that a date had already been set for its abolition. Despite these expectations, people did not want the basic state pension to be abolished. Indeed many wanted it to be enhanced. Views on the future of state provision are discussed in more detail in Section 3.5 below.

The more knowledgeable individuals were aware that an increasing retired population with insufficient people working limited the scope to provide finances for better pensions.

'I thought that our National Insurance contributions were paying for pensions now and the problem has arisen because of the young people now who should be paying for our pensions and there's not enough of them working. There's not enough in the pot.' (Thomas, Pettigrew and Tovey, 1999: female, 40-55, income under £10k, state pension only)

State Earnings Related Pension Scheme

The 'pay as you go' State Earnings Related Pension Scheme (SERPS) was introduced in 1978 as a second-tier state scheme. Everyone in employment (but not self-employment) must contribute to SERPS through National Insurance, unless they are below the National Insurance lower earnings limit (of £64 per week) or had 'contracted out' through membership of a salary-related occupational scheme. In 1988 the right to contract out of SERPS was extended to money purchase schemes.
The term SERPS was at least vaguely familiar to quite a lot of participants in the Hedges and BMRB studies. Despite the fact that they are not eligible to join SERPS, the self-employed participants in the latter study appeared to be more aware of this scheme than the general public. More generally levels of knowledge and understanding about this scheme were low. A large minority of people claim never to have heard of the scheme and understanding of the details was scant even amongst those with a basic level of awareness.

One feature that was associated with SERPS was the possibility of ‘contracting out’. Again, this was poorly understood, even among some of those who had themselves contracted out. For example, some assumed they would not now get the basic state pension.

The general perception was that the amount payable under SERPS is low, in part because people rarely understood the distinction between this scheme and the basic state pension. There was also a suggestion that SERPS was to be phased out, or had even already gone.

‘I even sense that they’re thinking of discontinuing that [SERPS]. Well they probably realise it’s going to cost them a lot of money, so henceforth they’re thinking of making the younger people contribute to personal pensions.’
(Hedges, 1998: male, pensioner, state pension only)

General views about state pension provision

The Hedges study found a disparity between those relying only on the state pension(s), who were often finding life hard and economically stressful; and those with good private pensions (mostly occupational at this stage) who tended to be more comfortably off. This disparity was recognised by those who had not yet reached retirement, who felt that of the possible sources of retirement income, the basic state pension was the least likely to provide an adequate income.

Despite the concerns about the adequacy of state pensions, some features of these schemes were considered to provide key advantages over the non-state alternatives. In particular, they were often seen as safer and more reliable than private sector schemes, and as fairer for lower earners.

‘At least a state pension’s a bit more dependable than private pensions or company pensions, because if a company’s going under the company’s likely to dip into the pension funds and go bankrupt, you lose it that way…. At least the state’s not going to run out of money.’ (Hedges, 1998: male, 18-34)

The ‘automatic’ nature of payments through National Insurance contributions was especially valued, not least by those who recognised that they would otherwise be unlikely to make provision for themselves. Membership of a standard, state scheme was seen as advantageous for those who were likely to move between jobs or in and out of work.
While they did not always use the term 'occupational pensions', the evidence from these two qualitative studies (Hedges 1998; Thomas, Pettigrew and Tovey 1999) was that there was a general familiarity with the concept. Employer schemes were considered by those in them to be particularly valuable. The key feature - and advantage - of these schemes was seen to be the fact that employers made contributions, which added value to contributions made by the individual.

'My private pension couldn't match the company pension I was in. It was phenomenal. You can't beat most company pensions because you have things tied in, benefits for the employees.' (Thomas, Pettigrew and Tovey, 1999: female, 25-39, self-employed with personal pension, £10k-£20k)

Another advantage with employer schemes was their 'automatic' nature, with a reduced need for active decision-making or planning.

'It was the easy option. It was literally something that came around from the Payroll. You filled out the forms, everyone told you that the pension was really good, so I just filled out the forms. And you don't really notice it coming out of your salary.' (Thomas, Pettigrew and Tovey, 1999: male, 25-39, £10-£20k)

While occupational schemes were generally viewed positively, their limitations were recognised. Firstly, a number of respondents pointed out that they had limited access to schemes, because their employer did not run one, because they were not eligible for their employer's scheme, or because they were self-employed. Second, the pay-out could sometimes be low, for example where an employee was on a low salary, or where the schemes were of poor quality. This was seen as a particular problem because of the entitlement rules for income support which disqualify people with even very small amounts of non-state pension21.

Thirdly, it was generally recognised that occupational schemes worked best if you remained in the same job (although there was a certain amount of confusion about the precise rules for transferring contributions between schemes), yet the perceived trends in employment were towards greater job mobility and insecurity. Finally, a few respondents expressed a lack of trust in their employers and were not convinced that occupational schemes were entirely secure or that suitable safeguards and guarantees existed. Robert Maxwell's name was often mentioned as a symbol of the feeling that pension funds may not always be secure.

21 This point was spontaneously raised by a number of respondents in the Hedges study.
Personal pension plans

Personal pensions were a concept familiar to many, although they were generally less well known than other types of pension, and were still considered as a fairly new development by many older respondents. In line with other forms of pension provision, there was little awareness of the details of personal pensions.

The main advantage of personal pensions was their perceived flexibility, both in terms of occupational mobility, and in the ability to vary the amount paid in. Among the self-employed, a personal pension was seen as the only option. Underpinning the perceived advantage of flexibility was the feeling that it is good in principle to be able to make your own choices.

“When I moved first time I was in a government funded superannuation scheme, and I decided I actually wanted to transfer that into a personal pension that I had control over myself, such that if I changed again I could actually do something with it, and I could top it up when I wanted to.” (Hedges, 1998: male, 35-44, ABC)

Some people associated personal pensions with ‘the City’ and ‘money making’ and therefore considered them to represent a very good rate of return. Another advantage was the notion of a ‘personal pot’ and many associated this type of scheme with the possibility of a large lump sum on retirement. Some incorrectly believed that it would be possible for a personal pension to be taken wholly as a lump sum22.

Part of the appeal of personal pensions was the element of personal choice and control they were seen to provide. Some people valued the idea that they could choose not to make provision for themselves in the form of a pension. The BMRB study (Thomas, Pettigrew and Tovey, 1999) suggests that a number of the self-employed valued freedom of action particularly strongly, although this was less the case among those who had reluctantly become self-employed.

Personal pensions were seen as having a number of disadvantages. They were often associated with a high degree of uncertainty and risk. In particular, there was little understanding of how much money you would need to put in to secure an adequate income in retirement, coupled with an awareness of the risk associated with investment. Those members of the self-employed population whose assets had enabled them to build up a wide portfolio of investments, appeared to be less concerned about these risks. The recent media coverage about the mis-selling of personal pensions had worried a number of respondents.

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22 It is possible that people were confused by the money that builds up to buy an annuity, which pays out the pension.
'In the newspapers lately [they’ve been saying that] certain insurance companies gotta sort out a lot of pensions by a certain date or else they’ll have their license taken away from them, and they sold a helluva lot of pensions wrong – and that’s a big company, so if they can make mistakes then anyone can.’ (Hedges, 1998: female, 18–34)

There was, however, very occasional optimism that this would be less likely in the future.

‘There’s more regulations now with pensions isn’t there. You have to fill out a what sit first, a plan sort of thing. And there’s more regulations and they have to pass an exam every three months or something like that before they can sell them, before they get a licence. Well it’s getting more controlled now. It’s getting harder for people to sell you the wrong pension.’ (Hedges 1998: male, 35–44, C, DE)

Income in retirement can, of course, come from a number of sources. While most people did not see savings and/or investments as an alternative to building up a pension, or as a primary source of income, there were a few participants in these two studies who expected to draw on assets other than pensions once they were retired. Some argued that these might provide a better, or at least more certain, return than pensions.

‘They predict what you’re going to get [from a pension] when you’re a certain age but that doesn’t mean to say you’re going to get it, so you don’t know for certain. But you know with a PEP that it’s near enough what you’re going to get.’ (Thomas, Pettigrew, and Tovey, 1999: male, 55+, £10–£20k)

Some expected to continue to earn, even if they had retired from formal employment. A few others thought they would be able to rely on state benefits, although there was little awareness about what the state might actually provide due to the uncertainty about whether state pensions would continue to exist, and if so at what level. A few expected to be able to rely on an inheritance from parents or other relatives. Selling their home or ‘trading down’ was the retirement plan for a number of people, often those who had made no other financial provision. The proceeds from endowment mortgages were also thought of as a possible source of retirement income.

Finally, there were a number of respondents who had made alternative savings and investments, regarding these as better investments for their future. A number of the self-employed fell into this category. For those who owned their own company, the business itself was seen as an asset that could be sold, and the capital used to purchase a retirement income.
Few people appeared to have considered taking out insurance policies to cover the costs of long-term care. Some argued that there is little point in trying to provide for huge residential costs as people would be unlikely to be able to save enough to meet costs of this kind. Some resentment was expressed at the thought that savings and property painstakingly built up throughout a lifetime could disappear rapidly in this way.

'Another thing which is swaying a lot of retired people, a lot is going into a retirement home. If you haven't got any money, the government pay, so the attitude is now, 'You can't take it with you, let's enjoy it now', because otherwise the government will take it when I've got to go in a retirement home.' (Hedges, 1998: Pensioner, private provision)

A number of quantitative studies in the early 1990s found relatively high level of support for the idea that people make at least some provision for their own retirement. For example, around four in five people in a 1991 survey agreed that 'the government should encourage people to provide something for their own retirement, instead of relying only on the state pension', while four in ten respondents in the same survey thought that responsibility for pension provision should lie mainly with individuals (Williams and Field, 1993). Three in five respondents in the 1993 British Social Attitudes Survey supported the idea that people who can afford it should be allowed to pay more for better pension provision (Taylor-Gooby, 1994).

What these findings do not tell us, however, is the reasons underpinning people's apparent acceptance of personal responsibility, whether there are limits to this acceptance and whether they still see a role for the state. These issues were explored in the Hedges study and, to a lesser extent, the BMRB work.

Qualitative exploration of these issues suggested that it was the fear that the state pension would be run down, rather than an acceptance of personal responsibility, which underpinned a recognition that people might need to provide for their own retirement. For example, people in the Hedges study did not generally feel that they should have to accept responsibility for a decent pension – this they felt was the responsibility of the government. They wanted the state to provide a pension that would be higher than the current level of the basic state pension, and which would be sufficient to avoid people having to claim Income Support.

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23 The sample was representative of those with some form of second-tier provision provided through SERPS, occupational schemes or personal pension plans.

24 Compared with 35 per cent who thought responsibility should mainly lie with the government, and 11 per cent who thought it should lie with employers.
The feeling that it is the state, rather than individuals, which should be responsible for ensuring that people have a decent basic income in retirement appeared to have a number of foundations. People argued that the state was obliged to pay out a basic level (above the current level of the basic state pension) because of the National Insurance contributions that they had paid in. Second, people felt they had a basic moral right to expect a decent basic pension from the state, because the state should look after its elderly citizens - including those who have been unable to provide for themselves. Finally, a state scheme was seen as unique in being able to ensure adequate provision for everyone because of its reliability, its fairness (in balancing needs and resources across different sectors of society) and because of the way in which it obliges people to put money aside throughout their lives with minimum hassle.

There was more general acceptance of the idea that individuals should be prepared, even encouraged, to make provision for themselves - including through non-state vehicles - beyond the basic level. Many supported the idea of employers and other non-state providers providing a supplementary service to state provision at the second tier level. Other studies have suggested that people are less willing to consider retailers, mutual societies, charities, and trade unions as providers of pensions than more traditional providers such as insurance companies, employers and banks (Fabian Society, 1998).

Despite the general willingness to accept the idea of non-state provision, the state was still seen to have an important role to play beyond bread-and-butter provision. People were particularly concerned that the state should play an important regulatory role, especially in the light of the ‘scandals’ over the mis-selling of personal pensions, and the misappropriation of funds from occupational schemes. They also hoped that there would be a more simplified system in the future. Views about the future role of the state, vis-à-vis the private sector, are explored further in the next section.

Many would like to see the state play a more positive role in making sure the public is properly informed and advised about pensions. We have already seen that, with the exception of a knowledgeable few, the public were seriously confused by the complexities of the pension system, as well as (among younger people in particular) reluctant to think actively about retirement. Where people had already sought advice, this tended to come from people - typically insurance salesmen - who were assumed to want to sell their own products rather than tell their customers what was in their best interest. Many people did not trust the advice they received from pension providers - yet decisions were often made on the basis of it because it was all they had.
Some people were aware of the existence of independent financial advisers, and their advice had sometimes been sought. However, there was some scepticism about whether these advisers were really independent, and the perceived cost was considered a major drawback. A number of people also doubted the levels of competence and adequacy of training of financial advisers.

Unsurprisingly there was a strong desire for advice that was not only independent and reliable but also affordable and accessible. The state was seen as having an important role to play here. Such interactive sources of advice as High Street 'pension shops' were preferred to passive sources like leaflets and other written materials.

3.5 Options for the future

3.5.1 The future role of the state and private sector

Participants in the Hedges study were presented with five possible long-term models for the future of state involvement in pensions:

i) the state withdraws entirely and people make their own arrangements through employers and/or through taking out private sector pensions;

ii) the state provides a minimum pension - which is just enough to provide basic food, clothing and shelter - but leaves people to provide for anything above this;

iii) the state provides a modest but adequate pension which is enough to live on simply without hardship and without having to claim means-tested benefits - but people are left to provide themselves with luxuries if they want to;

iv) the state pension provides a good living - enough to live well and afford some luxuries without the need for other income;

v) the state pension provides a prosperous lifestyle allowing people to afford all the comforts and luxuries of a middle-income family and to spend fairly freely.

The most popular option was the third one, in which the state provides a modest, but adequate income: the basic bread with at least some butter. Next most popular was the second option, in which the state provides only the basic bread - however only a few people selected this as their preferred choice, and others chose it because it seemed to them more realistic than the third. Hardly anyone favoured the extreme options of state withdrawal, on the one hand; or either of the options for more luxurious state provision, on the other.

Possibilities for increasing basic provision

The findings presented so far show a general pessimism surrounding the future of the state pension but a desire that it should be strengthened to provide a basic level of income that would be higher than the existing basic state pension. The Hedges research explored three ways in which people who work might pay for higher pensions: increasing National Insurance contributions; increasing taxes or cutting other benefits.
In so far as they had a preference, people opted for increasing National Insurance contributions on the basis that increased payments would be kept distinct from the general pool of taxation, and that additional contributions should be weighted towards higher earners. While people were not clear about the extent to which the current system is redistributive, their general perception was that higher earners should probably pay more than they do at present. The idea that money could be raised by cutting other benefits was seen as counterproductive because it would simply penalise other people who are similarly hard up.

Most people felt it would be acceptable to ask workers to pay for an increase of £10 per week in the basic state pension; while an increase of £40 a week divided opinion more sharply. An increase of £20–£30 per week seemed a broadly acceptable compromise. However, people’s willingness to pay for such an increase was dependent on a number of factors. In particular, participants felt that if they were to be obliged to pay more to provide a better pension for current pensioners, they had a right to expect that they would also benefit when their turn came (although many doubted that this would be the case). The issue of compulsion is explored further in the next section.

‘Yeah, [in saying you don’t mind paying more] you’re assuming that you’re putting money into a bank account and that’s got your little name on it, come the end of it that’s yours and you want that back.’ (Hedges, 1998: male, 18-34, ABC)

In the light of the perceived lack of transparency regarding the present use of the National Insurance fund, people favoured some sort of ring-fencing so that they could be sure that the extra money really would be used to fund higher pensions. They also felt that an increase might be less palatable if it came as part of a larger package of tax and/or National Insurance increases. A few were also concerned that higher National Insurance contributions on the part of employers might damage jobs.

Finally, a number of people wanted to be sure that other avenues had been properly explored before they were asked to pay more for higher pensions. In particular, they felt that there was scope for re-prioritising government spending, including cutting out waste, and taking greater action to reduce the level of benefit fraud (discussed more generally in Chapter Two).

Means-testing

One way in which resources could be redirected is through means-testing. But, in line with the findings of the previous chapter, there was firm resistance to the idea of means-testing for pensions. This resistance appeared to be at least partly attributable to the particularly strong association between contributions paid and pension received: people felt that once they had paid in they were entitled to benefit from the system; if they did not, they would feel cheated.
Means-testing was also seen to penalise unfairly people who had chosen to make additional provision for their retirement through savings or private provision. People were particularly resentful of the fact that the full basic state pension pays less than they would get anyway under Income Support.

'It [means-testing] seems daft because they're penalising people who are actually saving towards their old age pension. And ultimately the attitude is 'well, why bother saving?', because by now it's become quite obvious that if you do work towards your pension you're going to be penalised anyway. So why bother, because what you gain in your pension, they take off you in any which way they can?" (Hedges 1998: female, 45-59, ABC.)

As was found in some of the studies described in Chapter Two (see, for example Stafford, 1998) participants in the Hedges study pointed out that means-testing could also be expensive for the state and intrusive for the individuals concerned. Means-testing mechanisms were also seen as unfair because the low thresholds could have the effect of arbitrarily excluding people who are genuinely in need but who narrowly fail to qualify. Instead, the preference was for a system whereby people were means-tested 'on the way in' (through higher contributions made by higher earners) rather than 'on the way out' (by limiting pay-outs to those with low incomes and savings).

3.5.2 The case for compulsion

Hedges (1998) found that in general people liked to be able to decide things for themselves rather than being told what they ought to do (although they were keen to receive clearer and more impartial advice). In the light of this, he was surprised at the frequency with which participants urged that an element of compulsion – whereby they would be made by the state to save more for retirement through additional compulsory pension contributions – was necessary.

People were often fearful that if left to themselves they would put away too little and too late. They were particularly worried about this in the context of their perception that the basic state provision would be wound down. They generally did not trust themselves to prioritise their retirement income over and above other, more immediate, commitments. They seemed to want the state to ensure that they were provided with a decent basic pension, which would pay at a higher rate than the current basic state pension. Above this level, at the 'second-tier', people seemed to be in favour of choice. They were generally unaware that SERPS is in effect compulsory second-tier provision.

The case for compulsion was more explicitly explored, with the self-employed as well as the general public, in the study undertaken by BMRB (Thomas, Pettigrew and Tovey, 1999).
The BMRB study explored the issue of compulsion explicitly in relation to second-tier pensions. Currently, all those people who are required to pay National Insurance contributions are compelled to save for their retirement because their contribution record defines their eligibility for the basic state pension (and for SERPS amongst employees) and the level at which it is paid. In this way, people are already being compelled to save an average of 5 per cent of their income towards a second pension. Despite the strong commitment to the contributory principle discussed earlier, few participants - whether general public or self-employed - spontaneously recognised this. Even when prompted, National Insurance contributions were not seen as a form of compulsory saving, but rather a tax that everyone paid.

With the exception of those who did not believe in saving per se, participants in this study felt that they, and others, should be saving more for their retirement. In part, this reflected a feeling that ‘you can never save enough’ but it also reflected a view that individuals, and particularly the self-employed, should do more to assist themselves in retirement. There was a general view that second-tier pensions were perfectly acceptable, indeed in some cases could be seen as essential. There was less consensus around the principle of compulsion and the level at which it should apply.

A number of advantages and disadvantages to compulsion in principle were identified in the study, as summarised in Figure 3.1. Compulsion was sometimes seen as the only way of ensuring that everyone would save enough for an adequate retirement income. This view represented the ‘better safe than sorry’ approach. A number of people saw compulsion as consistent with the state’s perceived responsibility to ensure everyone has sufficient ‘bread-and-butter’ in retirement.

On the other hand, a number of objections to the principle of compulsion were raised. A few respondents were adamant that it should not be necessary, as the state basic pension should be paid at a level sufficient for people to meet their basic needs. More commonly compulsion was seen as unnecessary because responsibility for second-tier pensions should lie with the individual. Linked to this view, which was particularly strongly expressed by those in self-employment, was the feeling that the state’s role should be educational and facilitative, rather than coercive and interfering. Some were concerned that compulsion in relation to pensions would impose unacceptable limits on their freedom of choice in retirement provision: many preferred to provide for themselves in other ways such as through savings and investments, or through selling their home. Finally there was concern that a simple, compulsory, formula for everyone could result in hardship for those unable to afford additional savings without making major sacrifices in the shorter term.
Advantages

- Consistency for everyone.
- Necessary to ensure adequate pensions.
- Consistent with state role to ensure basic level of provision.

Disadvantages

- Shouldn't be necessary:
  - the basic state pension should be paid at a sufficient level;
  - individuals should take responsibility.
- State role should be facilitative rather than coercive.
- Potentially limits choice of retirement provision.
- Not affordable: could cause hardship.
- Just another form of taxation.

The relative importance of each of these advantages and disadvantages varied between individuals, but two broad groups could be identified. First, some took the view that under no circumstances should people be compelled to save any more for retirement than at present. Second, there were those who were prepared to consider compulsion under certain circumstances only. Proponents of the former view tended to be individuals from the ‘general public’ sample who were in their forties and fifties, and/or those on low incomes. Although a few had some form of pension provision, in the main they were relying on the state pension to provide their retirement income and did not think there was any need for compulsion. Regardless of need, they felt they were too close to retirement and could not afford it in any case.

‘The state pension certainly ought to be enough to live on when I retire.... I don’t have anything else except my house. I’ve contributed all my life so I shall be pretty angry if it doesn’t’ (Thomas and Pettigrew, 1998: female, 55+, under £10k, no second tier pension)

Some of the self-employed were also against the idea of compulsion in any circumstances.

More generally, people were prepared to consider compulsion in certain circumstances. For most, these circumstances were felt to be broad ranging, with only a few narrowly defined exclusions. For example many took the view that pension provision is so important that everyone who is working should be obliged to contribute to a second-tier scheme; but that those out of work – whether unemployed, long-term sick, or disabled – should be excluded. Underpinning their argument was the view that any exceptions – for example people who already have ‘adequate’ provision – would lead to problems of implementation. They felt that the simplest system to administrate would be the one that had the fewest complications.
Some wanted to expand the range of exclusions to a wider group, including: those on very low pay, typically defined as less than £10,000 per annum; individuals who had already made adequate provision (this was particularly strongly argued by the self-employed); and those who had been working for longer or were nearing retirement, for whom pensions contributions might be excessively expensive. It was therefore suggested by a few respondents that compulsion should be confined to ‘new cases’, that is people starting work for the first time.

How compulsion might work in practice

In addition to the discussions about who should or should not be compelled to save more for retirement, study participants identified a number of other practicalities that would need to be considered if compulsion was to be implemented. Similar issues were raised by the ‘general public’ and people in self-employment.

People felt that the key characteristics of a compulsory scheme should be as follows:

• the scheme should be funded rather than ‘pay as you go’;
• compulsory contributions should only be made to an individual pot of money that is sufficiently differentiated from existing state pensions;
• contributions should be convenient, ideally being deducted straight from salaries or wages;
• contributions should be completely dissociated from National Insurance;
• the scheme should be completely transparent, with contributions shown on pay slips and annual valuations providing information about an individual’s contributions and current value;
• better education on pensions would be a key way of improving transparency;
• there should be no hidden charges;
• there should be a guaranteed minimum pay-out;
• the scheme should be sufficiently flexible to allow (without penalty) for payment holidays; variable payment periods; and for payments to be increased or decreased according to seasonal variations in income.

There was also considerable call for some ‘carrot’ to accompany the ‘stick’ of compulsion. Respondents suggested a number of potential incentives, which included: reduced or no National Insurance contributions (including the abolition of Class 4 contributions for the self-employed); tax-free contributions; untaxed income on retirement; matched contributions from the government for those on very low incomes.
On balance, a partnership between the public and private sectors was felt to be the best approach to delivering a system of compulsory pension provision. The most appropriate role for the state was seen to be administration of the scheme. There was a general mistrust of the government in making investment decisions and it was suggested that this function should be handed over to the private sector. Underpinning this view was the feeling that the state had mismanaged the 'investment' of people's National Insurance contributions resulting in only small pensions. On the other hand the private sector were considered potentially untrustworthy too.

In its Welfare Reform Green Paper (DSS, 1998a), the government suggested that two new kinds of pension be considered to meet the needs of those not properly served by existing state provision. Citizenship pensions would be considered to ensure cover for people who are unable to save for a pension because they are caring for children or for a relative who is disabled or ill. The aim of stakeholder pension schemes would be to give low paid workers the chance to save for a decent private second pension. 'A new contract for welfare: Partnership in Pensions' (Cm4179) set out more detailed proposals, developed in response to the government's review of pension provision. Both concepts were retained, although in practice the objectives of citizenship pensions would be met through the proposed introduction of a new State Second Pension.

The Hedges (1998) study explored public reactions to these general concepts. There was little awareness of either of these possible schemes, and very few could give a spontaneous account of either.

Citizenship Pensions

At present people who are precluded from employment because they are caring for children, or a relative with a disability or long-term illness, at home can have their basic retirement pension protected through Home Responsibilities Protection (HRP). When the basic state pension is worked out, the number of years protected by HRP is taken away from the number of qualifying years otherwise needed to calculate the basic state pension. HRP protects rights to the basic state pension but not to SERPS. Citizenship Pensions would be designed to give second-tier rights.

In line with the findings of other (quantitative) research (Field and Prior, 1996) HRP was not found to be well known or understood. A number of participants vaguely assumed that carers would 'get their stamps paid', but some were not so sure about whether this would happen for non-working mothers. Some thought you would only get contributions credited if you were signing on. The issue of whether such people were getting second-tier pensions did not seem to occur to many people. The Citizenship Pension would therefore address a problem which is not often spontaneously recognised.
Once the idea of Citizenship Pensions was explained, people were broadly supportive. Most felt it was a good idea, since they felt people should not have to suffer as a result of caring which was seen as a 'deserving' activity. It was also pointed out that those who look after their families are providing an important, and cost effective, service to the state, and should therefore be rewarded.

This general support for Citizenship Pensions was, however, often qualified. Some people were anxious that it could potentially encourage fraud: unscrupulous people might use it simply to avoid working. Others were concerned that the costs might be very high. Opinion on how long mothers' second-tier provision should be protected was also mixed. While there was fairly widespread support for the idea that women should be helped to stay and look after their children in the first few years, views tended to diverge after that (as we shall see again in Chapters Four and Five).

Stakeholder Pensions

Reactions to the idea of a Stakeholder Pension were also assessed in the Hedges research, by presenting group participants with an idea of what such a scheme might look like and how it might work. They were told that those without access to second-tier pensions through employers (for example if the employer did not run a scheme, or if an individual was self-employed) would be able to save for a pension on top of the basic state retirement pension. Membership would be through a variety of channels including employers, trade unions, or pension providers and the scheme would be regulated by the state to ensure good value for money and that pension rights would be protected if an individual had to stop paying in for any reason.

The notion of a Stakeholder Pension was also supported, being seen as useful for workers with no access to occupational pensions; those with high levels of occupational instability; and those who work irregularly and/or for low pay - the needs of all these groups having been raised earlier in the research. A number of other perceived features of the Stakeholder Pension were also valued: in particular the proposed regulatory role for the state; the idea that the scheme might offer a better deal financially than equivalent personal pensions; and the potential simplicity of the scheme in contrast to the plethora of different personal pensions available.

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25 Given that the details of these schemes had not yet been developed, the information presented to respondents was necessarily limited.
A few people were sceptical about whether Stakeholder Pensions would really provide anything new, and some saw the idea as a diversionary tactic on the part of government to take pressure off the basic state pension. Overall, though, people felt Stakeholder Pensions might combine some of the freedom of choice of personal pensions with the reassurance and universality of a government-backed scheme. Some respondents suggested that the state should underwrite Stakeholder Pensions against the risk of providers defaulting.

People wanted clarification on a number of aspects of the Stakeholder Pension scheme, which they thought would need to be clearly explained and promoted. Key areas where clarification was sought included whether employees would still be obliged to contribute to SERPS; and whether employers would be compelled to run stakeholder schemes. Although the scheme was described as voluntary, a number of respondents argued for compulsion, although this was not explored in any detail.

3.6 Summary  
**Attitudes to retirement planning**

Apart from the minority of people who adopted a fatalistic view towards saving, people are generally aware of the need to plan more proactively for retirement. In particular, there was a general feeling that people would need to make more private provision for their retirement than at present, not least because they lacked confidence that the state would provide.

There was a general lack of active forethought and planning for retirement, especially among younger people. This reluctance appeared to be linked to emotional factors such as a reluctance to think about ageing and to a general inertia resulting from the perceived distance of retirement from their present lives. Even when people had thought more actively about retirement, a number of barriers to making provision were identified. There was considerable uncertainty about the future coupled with a lack of knowledge and understanding about the choices available. Few individuals had a clear vision of their lifestyle on retirement, and people consequently found it difficult to identify how much income they would need. Nor did they have a clear idea about what their existing provision was likely to yield. Finally, available income, life-stage factors and spending priorities could also limit people’s ability to put money aside for retirement.

A number of triggering events had stimulated some people to consider their future. These included: reaching middle age when retirement plans seemed more pressing; receiving advice from financial advisers or pension consultants; changes in employment status when decisions needed to be made about joining new schemes or setting up alternative provision if these did not exist; life changes such as marriage, having children and relationship breakdown which altered patterns of financial interdependence; concerns about the future of state provision; and observation of how older generations, particularly parents, have been affected by retirement.
Knowledge of and attitudes towards pension options

The research findings reveal a high level of confusion about the range of pension sources available and their pros and cons.

State pensions were very familiar to people but the details were not always well understood particularly in relation to how they are funded. On the other hand the ‘automatic’ nature of the scheme which did not require active decision-making was valued. There was a much higher awareness of the basic state pension than of SERPS, with many not appreciating the distinction between the two state schemes. Both schemes had an image of giving lower financial returns in comparison with private schemes, and the assumption was that this discrepancy was likely to increase. People generally felt that the National Insurance contributions they were making ought to result in a fundamental ‘right’ to pension entitlement, even for those who do not ‘need’ it. This association with the ‘contributory principle’ appears to be stronger for pensions than for other social security benefits.

The general concept of occupational schemes was also familiar (although the details were rarely understood) and these schemes were associated with a number of advantages, the main ones being the contributions made by employers, and the ‘automatic’ nature of the these schemes. Occupational schemes were seen as having a number of disadvantages, most notably that: many people were without access to these schemes; they could represent a poor deal for those who move jobs frequently; and employers were not always trusted to put the interests of their employees before themselves.

Personal pension plans were also familiar to many people, particularly those below retirement age and the self-employed, but people were often confused by the wide range of products and found it difficult to know how much they would need to pay in to secure a decent retirement income. The main advantage of these schemes was seen as their flexibility both in terms of occupational mobility and the ability to vary the amount paid in. However they were often seen as risky, particularly in the light of the recent pensions mis-selling ‘scandal’.

Given the different strengths and weaknesses associated with different forms of retirement provision, a minority of people choose to spread their risks by setting up multiple forms of provision which could include non-pension options such as insurance policies, investments and property sales.
While people were pessimistic about the future of state pension provision, there was a strong expectation and desire that the state should be responsible for providing a basic level of retirement income. It was felt that this should be higher than the current level of the basic state pension, enabling people to live without hardship and without the need to claim income-related benefits. Beyond this level there was more acceptance of the idea that individuals should be prepared, even encouraged to make provision for themselves and were generally content to consider non-state providers for this. However, there was some mistrust about private sector pension provision and people saw the state as having an important regulatory role to play.

While people were generally aware, sometimes belatedly, that they needed to save more for retirement, they had mixed views about whether they wanted to be compelled to do so. Compulsion up to at least the level of the basic state pension was generally seen as the only way of ensuring that everyone will save enough for an adequate retirement income. This level of compulsion could therefore be seen as consistent with the state’s perceived responsibility to provide everyone with sufficient ‘bread and butter’ in retirement, although few people properly understood that state provision was already effectively compulsory.

Fewer people were prepared to consider compulsion at the second-tier level (at which there is already some compulsion through SERPS). Those who were supportive of second-tier compulsion were generally prepared to do so only under certain circumstances. In particular, they wanted to see exemptions for very low paid workers, people nearing retirement and those not in work, although they recognised that the administration of a compulsory system might be too complex if many exceptions were allowed.

On the other hand, a number of people were ideologically opposed to the notion of compulsion on the grounds that people should be responsible for making their own provision. An appropriate additional role for the state was seen by most as being educational and facilitative, and this could be seen as inconsistent with the more coercive and interfering role implied by compulsion.

The ideas behind citizenship and stakeholder pension schemes were seen as worthy of further development, as they would for the most part address the perceived limitation of the current range of options. However, there was some concern that adding further to the range of available pensions would simply add to the complexity. What people most wanted was a greater transparency and simplicity to enable them to plan more effectively.
This chapter is edited by Maxine Hill, DSS Social Research Branch, drawing on original research by Kandy Woodfield and Helen Finch (SCPR) and others. It presents the findings of a collection of studies exploring public expectations of jobseekers, and their partners, in relation to seeking work.

The central pillar of the welfare reform programme is paid work. Without paid work, individuals and families risk a slide into poverty, dependency and social exclusion. For those out of work, the priority is therefore to provide help and encouragement to work where they are capable of doing so.

Policy proposals for those out of work cover two areas of action. First, those out of work are to be provided with more active help in finding work, and becoming work-ready so that they no longer need to rely on benefits. This includes those who have previously been classed as ‘economically inactive’, for example, lone parents and the unemployed partners of jobseekers. Second, action is to be taken to ease the transition from welfare to work by removing some of the barriers to paid employment: for example through the provision of more affordable childcare; the introduction of the Working Families Tax Credit (including a Childcare Tax Credit) to replace Family Credit; the introduction of a minimum wage and reform of the tax and National Insurance systems. This chapter focuses on the first of these two areas of action: help in finding work.

A new contract between citizen and state

At the heart of reforms for those out of work is a more active relationship between the individual and the state. The intention is that the benefit system will shift from being passive to proactive: unemployed people will no longer be passive recipients of benefit payments but will have rights and responsibilities that will be reciprocated by the Benefits Agency and the Employment Service. Clarification of the conditions and obligations that are to be placed on benefit recipients, and the state help they can expect in return, is vital in securing the link between citizen and state.
The attachment of conditions to the receipt of benefit is not new. For example, one of the objectives of the new Jobseeker’s Allowance (JSA), introduced in October 1996, was to help people in their search for work, whilst ensuring that they fully understood that benefit receipt was conditional. It is a condition of entitlement to JSA that jobseekers are available for, and actively seeking, work. This was carried forward from the previous system of support for unemployed people, but a key change was the introduction of a Jobseeker’s Agreement, which would set out the steps a jobseeker should take towards finding work. Having a signed agreement in place is a further condition of entitlement, on which payment of benefit depends. It is also a long-standing feature of the benefit system that people who unreasonably cause or perpetuate their own unemployment should be subject to a sanction. This concept was carried forward in JSA.

The New Deals

Building on these foundations, the government is further strengthening the obligations of specific groups of claimants and the state through its New Deals. Special action is being taken to address the needs of specific sub-groups of out-of-work claimants. Young people (18-24) and lone parents were the first two groups targeted. The New Deal for 18-24 year olds was piloted in twelve ‘pathfinder’ areas from January 1998 and was extended nationally in April 1998. The New Deal for Lone Parents (further discussed in Chapter Five) was piloted from July 1997 and introduced nationally in April 1998 to lone parents making a new or repeat claim. It was extended to all lone parents in October 1998. A New Deal scheme was also introduced in June 1998 for the long-term (two years or more) unemployed aged 25 or over. An extension of the New Deal approach is being piloted from November 1998 for those who have been unemployed for 12-18 months. In October 1998, a pilot New Deal scheme for disabled people was introduced (and is further discussed in Chapter Six). More recently, in the March 1998 Budget Speech, the Chancellor announced that special help would also be made available for partners of the unemployed.

Each New Deal programme offers tailored help to its target group. A personalised case-worker service is provided to help ensure the client is ‘job ready’ by identifying and helping to overcome barriers to work (for example homelessness, the need for child care, lack of skills and lack of confidence) and facilitating access to training, education and work experience. In return, New Deal participants are expected to fully cooperate with the programme, or face benefit sanctions if they fail to do so.
Public attitudes to proposed changes to the roles and responsibilities of unemployed people have been explored in a number of recent research studies commissioned by the Department. Attitudes of the general public towards conditions attached to receipt of benefits and to the responsibilities of partners of the unemployed have been measured quantitatively through questions in the Office for National Statistics (ONS) Omnibus Survey during February and March 1998.

Attitudes to proposals for non-working partners of jobseekers were further explored in qualitative research to inform the policy development process of this, the most recent of the New Deals. Social and Community Planning Research (SCPR) were commissioned to conduct focus groups amongst the general public, jobseekers and non-working partners of jobseekers. Twelve groups were undertaken in total during May 1998.

The remainder of this chapter provides details of the findings from these new research studies. Where relevant, the findings from previously published studies are also discussed.

Respondents in the ONS Omnibus Survey were asked to state how much they agreed or disagreed with a number of statements designed to explore support for the idea that claimants should have to fulfil certain requirements in return for cash benefits. These statements addressed two key questions: whether there should be an onus on the jobseeker to seek work and/or ensure they are work-ready; and the extent to which work is considered the best form of welfare. The results are shown in Table 4.1.

There was very strong public support for the idea that jobseekers should have to meet conditions in return for receiving benefits. Ninety-four per cent of all respondents either agreed or strongly agreed that benefit recipients should have to prove that they were doing all they could to find work. The vast majority of respondents (90 per cent) disagreed (including 43 per cent who strongly disagreed) that unemployed people who refuse to work and/or train should be allowed to stay on benefits indefinitely.

There was also general support for the principle that work is the best form of welfare. A total of 71 per cent either agreed or strongly agreed that unemployed people should have to take work in any occupation, not just their usual field. The majority of the public (62 per cent) also agreed that unemployed people should have to take work even if the pay were lower than their last job. Analysis by age revealed some generational differences to both statements, with respondents over retirement age being more likely to agree than the sample as a whole$^{26}$.

$^{26}$ Seventy-eight per cent of respondents over retirement age agreed, or strongly agreed, that unemployed people should have to take work in any occupation and 74 per cent agreed, or strongly agreed, that unemployed people should have to take work even if the pay is lower than their last job.
There were some exceptions to the general support for the idea that work should always be promoted as the preferred alternative. For example, nearly two thirds of respondents disagreed that unemployed people in education or training should have to give it up if offered work; and around half (48 per cent) disagreed that unemployed people should have to take a job which would pay them less than they would get on benefit, while one third (34 per cent) agreed with this.

Table 4.1: Public attitudes towards conditions of receiving benefits

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<th>Row percentages</th>
<th>Agree*</th>
<th>Neither agree nor Disagree</th>
<th>Disagree*</th>
<th>Don’t know</th>
<th>Base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Onus on jobseeker to seek work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed people should have to prove they are doing all they can to find work in order to receive benefit</td>
<td>94</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1861</td>
</tr>
<tr>
<td>Unemployed people who refuse to train/work should be able to stay on benefits indefinitely</td>
<td>4</td>
<td>4</td>
<td>90</td>
<td>1</td>
<td>1860</td>
</tr>
<tr>
<td><strong>The merits of work over welfare</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed people in education or training should have to give it up if offered work</td>
<td>19</td>
<td>15</td>
<td>65</td>
<td>1</td>
<td>1843</td>
</tr>
<tr>
<td>Unemployed people should be prepared to take work in any occupation, not just their own field</td>
<td>71</td>
<td>11</td>
<td>17</td>
<td>1</td>
<td>1861</td>
</tr>
<tr>
<td>Unemployed people should have to take work even if the pay is lower than their last job</td>
<td>62</td>
<td>16</td>
<td>21</td>
<td>1</td>
<td>1861</td>
</tr>
<tr>
<td>Unemployed people should have to take any job even if they earn less than on benefit</td>
<td>34</td>
<td>16</td>
<td>48</td>
<td>2</td>
<td>1861</td>
</tr>
</tbody>
</table>

Source: ONS Omnibus Survey, February and March 1998

* Respondents were asked to state the extent to which they agreed or disagreed with the statements. To simplify the table, the categories 'strongly agree' and 'strongly disagree' have been merged with 'agree' and 'disagree' respectively.
4.2.2 Attitudes of benefit claimants

The attitudes of the general public can be contrasted with those of unemployed claimants, which were investigated in a study conducted by the Centre for Research in Social Policy (CRSP) at Loughborough University (Bottomley, McKay and Walker; 1997). In 1995, a year prior to the introduction of the new Jobseeker’s Allowance, a sample of 4,876 claimants of unemployment-related benefits were questioned on their knowledge and understanding of the obligations attached to claiming Unemployment Benefit or Income Support as an unemployed person. Many of the questions asked were similar to those in the ONS Omnibus Survey modules.

The majority of the claimants of unemployment related-benefits (73 per cent) agreed that getting benefit should depend on proving you are doing all you could to get a job. This compares with 94 per cent for the general public in the 1998 ONS Omnibus Survey. Just under half of claimants (47 per cent) agreed that unemployed people should be prepared to take work in any occupation, not just their usual field, which compares with 71 per cent of the general public in the ONS Omnibus Survey.

These comparisons suggest that while there is some support for the attachment of conditions to the receipt of benefits among claimants themselves, this is at a lower level than for the general public. However, it is possible that the time lag between these two surveys may be partially responsible for these differences. More recent qualitative follow-up work with claimants post-JSA suggests their understanding of conditions attached to receiving unemployment benefits has increased since the introduction of JSA (Cragg Ross Dawson, forthcoming in 1999).

Other questions asked of claimants in the pre-JSA study (Bottomly, McKay and Walker, 1997) shed further light on their view about their rights and responsibilities, although they cannot be directly compared with the ONS questions. There was overwhelming agreement (94 per cent) among recipients of unemployment related benefits with the statement ‘It is my responsibility to look for a job’. In addition, only a small minority (10 per cent) said that they would not bother looking for a job if their benefit did not depend on it, with 67 per cent disagreeing or disagreeing strongly with this statement. Bottomley, McKay and Walker (1997) conclude that the claimants’ attitudes suggest a bedrock of support for the principle of ‘conditionality’ – the attachment of conditions to the receipt of benefits. However, the authors also argue that their evidence suggests claimants do not believe that they need to be pressured by the benefits system to look for work: it is something they want to do in any case.
The current arrangements for unemployed couples are that one member of the couple makes a claim for JSA, which also includes an allowance for the partner. The named claimant, or jobseeker, must fulfil the conditions attached to receipt of JSA. The partner, however, is not required to look for work nor are they offered active help in finding it.

In the 1998 Budget, the Chancellor of the Exchequer announced that the government intended to finance help for partners of the unemployed. This New Deal for Partners of the Unemployed will extend the New Deal for Young People to childless couples aged 18 to 24 years and offer help and support to partners with children and those 25 or over, who are outside the age range for the New Deal for Young People.

In May 1997, there were around 272,000 JSA claimants who were also claiming on behalf of their non-working partner. Ninety-four per cent of these were men. Consequently, we can estimate that there are approximately a quarter of a million women whose partners are claiming JSA, but who themselves are not receiving any help to get them into the labour market if they chose to do so. These women are therefore the primary target group for help through the New Deals.

Public support for the idea that both partners in an unemployed couple should have a responsibility to actively seek work was tested through a set of questions in the February 1998 ONS Omnibus Survey. Respondents were presented with three different scenarios - in which an unemployed couple are childless, have a pre-school child, and have a school-age child - and were asked whether both partners, or only one, should have to look for work in order to receive benefit. The responses are shown in Table 4.2.

There was strong public support for the idea that both partners in an unemployed couple should have to work as a condition of receiving benefits, but this was highly conditional on family circumstances. While 82 per cent of respondents thought that both members of a childless couple should be obliged to seek work when in receipt of benefits, the opposite response was given for couples with pre-school children: 84 per cent agreed that only one of the couple should have to look for work in this situation. Opinion was more divided for unemployed couples with school-age children: 49 per cent said that both should look for work and 46 per cent that only one should be obliged to do so.

In principle, though, the partner of a jobseeker can also be considered for a place on a training programme.
Further analysis revealed that age, but not sex, was an important explanatory factor in determining people’s attitudes. Younger respondents (those aged under 45) were more likely to say that both parties should seek work, regardless of the scenario. But generational differences were particularly pronounced in response to the situation of couples with school-age children. The youngest respondents (those aged 16–24) were much more likely than the sample overall (62 per cent and 49 per cent respectively) to think that both partners in this situation should have to seek work. In contrast 33 per cent of 16–24 year olds, compared to 46 per cent overall, thought only one of the couple should have to look for work. These findings suggest that, with the exception of young people, there is little support for the idea that among couples with dependent children both partners should be compelled to seek work. This issue was further explored in the qualitative study undertaken by SCPR, the findings of which are presented below (Woodfield and Finch, 1999).

Study aims and objectives

In Spring 1998, the Department commissioned Social and Community Planning Research (SCPR) to conduct a qualitative study to explore, in more detail than is possible in a quantitative survey, the response to proposed new policies for unemployed couples who receive JSA. The qualitative study, with twelve focus groups, was relatively small-scale and therefore was not able to fully explore dual unemployment. The Department has recently commissioned a wider research study that will be able to expand on these findings.

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4.3.3 A qualitative study of the public response to policies affecting partners of jobseekers

Table 4.2: Views on whether non-working partners of claimants should seek work

<table>
<thead>
<tr>
<th>Who should look for work?</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed couple with no children</td>
<td></td>
</tr>
<tr>
<td>Both should look for work</td>
<td>82</td>
</tr>
<tr>
<td>One should look for work/claim for both</td>
<td>15</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
</tr>
<tr>
<td>Unemployed couple with child under school age</td>
<td></td>
</tr>
<tr>
<td>Both should look for work</td>
<td>13</td>
</tr>
<tr>
<td>One should look for work/claim for both</td>
<td>84</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
</tr>
<tr>
<td>Unemployed couple with school age child</td>
<td></td>
</tr>
<tr>
<td>Both should look for work</td>
<td>49</td>
</tr>
<tr>
<td>One should look for work/claim for both</td>
<td>46</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
</tr>
</tbody>
</table>

Base 1861

Source: ONS Omnibus Survey, February 1998
More specifically, study participants were asked to consider whether or not both partners in JSA couples should:

- have access to government programmes to help them into work;
- be required to attend the Jobcentre and look for work; and/or
- be subject to sanctions such as having their benefit reduced or stopped if one of the partners breaks the rules, even if the other partner has not broken them.

The findings of the ONS Omnibus Survey suggested some support for the idea that both partners in an unemployed couple have a responsibility to seek work as a condition of receiving benefit, although this support was diminished where couples had pre-school children. Reactions to the situation of couples with school-age children appeared to vary with respondents' age. In view of these findings, participants were asked to consider the implications of the proposals for couples in different age groups and life stages: for example, partners with school-age or pre-school children, those with caring responsibilities, partners who have been out of the labour market for a long time and partners who are studying full-time.

The study was based on twelve focus groups in total: four with the general public, four with JSA claimants, who were mainly men, and two with non-working partners of jobseekers, who were mainly women. Participants were also selected to reflect a range of characteristics, including age, class and household types. Fieldwork took place in five areas during May 1998.

Experiences of unemployed couples

As an introduction to the issues to be explored, jobseekers and partners were asked to discuss their experiences of dual unemployment (where both partners are unemployed), the state of the labour market in general, and the quality and availability of government help. Their views on these issues revealed important underlying attitudes to the roles and responsibilities of jobseekers and their partners, and the availability of state help. These attitudes in turn underpinned responses to current arrangements for couples claiming JSA, and to the proposed changes.

Unemployed couples claiming JSA highlighted the additional strains placed on them when both partners were out of work. In addition to the financial pressures resulting from managing on benefit, the impact of dual unemployment on the roles and responsibilities of each partner (which were often allocated along traditional gender lines) was a particular source of stress. Both partners and jobseekers were concerned about being poor role models for their children because of unemployment.
Partners and jobseekers commonly felt that men were adversely affected by unemployment to a greater extent than women were. Men were believed to suffer more from psychological difficulties in adjusting to life without work, and to experience a loss of dignity and pride, and feelings of exclusion from the 'working world'. Partners’ lives were felt to be less disrupted by dual unemployment because they were able to continue their routine of household work and childcare.

‘What I found hard when I lost my job was her life was the same - she did the same things, the shopping, the visiting the old people. My life changed but hers didn’t [though it did financially]. She didn’t understand why I was so fed up all the time.’ (Woodfield and Finch, 1999: male, jobseeker, 25–40, South-west)

Jobseeking was experienced primarily as a male activity. Few mothers interviewed in this study considered leaving their children in the care of their partner whilst they worked. Similarly, male jobseekers did not wish to take on the role of looking after the home and/or children.

There was general cynicism from study participants about the value of intensive jobsearch activity, and the quality of state support for this. Job opportunities were believed to be limited by a number of factors. Study participants with and without experience of unemployment believed that there were not enough jobs available to reduce current levels of unemployment, and that where vacancies existed these tended to be for low paid and/or part-time work. While recognising that some of these jobs might be potentially attractive to women, the high cost and low availability of childcare were described as barriers for women to enter or return to the labour market. Opportunities for the long-term unemployed were felt to be particularly limited, as many had been left without the requisite skills or experience required by prospective employers.

Against this background assessment of the labour market, the help and support offered to the unemployed by successive governments was considered to have been ineffective and inadequate. Criticisms centred on the service and support offered by Jobcentres and the level of financial support given to jobseekers. Jobcentres were perceived as fulfilling a ‘policing’ rather than a ‘helping’ role and as a result provided jobseekers with little support. There were also concerns about the quality of help and training being offered and resentment about the six-month waiting period before claimants became eligible for assistance. This was perceived to be an ineffective system, which denied help at the time when people had the best opportunity to find work. In general, the state was not thought to have fulfilled its obligations to jobseekers in the past.
The advice offered by the Jobcentres was felt to be too generic, rather than tailored to individual jobseekers’ needs, skills and experiences. This was said to result in mis-matching of jobseekers to jobs and/or training courses in some cases. This problem was also seen to be compounded by some of the conditions attached to JSA which were believed to unfairly force jobseekers into accepting jobs or training courses which are unsuitable or inappropriate.

Roles and responsibilities within the household

Given that the majority of jobseekers in couples are men, the new proposals to encourage their partners to (re)enter the labour market will primarily affect women. An important objective of the study was therefore to explore the gendered roles and responsibilities of couples, especially those claiming JSA, as these would be likely to have a bearing on reactions to the new policy proposals. We have already seen that jobsearch activity among unemployed couples is a predominantly male activity, reinforced by the structuring of the labour market, and the low availability of affordable childcare.

More generally the division of roles and responsibilities within couples were also linked to age and class, employment history of each partner, and to the presence and age of children. In the jobseeker and partner groups, those in older age groups and in social grades D or E, tended to have adopted a more traditional division of labour, in which the roles of men and women were clearly defined. Typically the woman was described as doing the majority of the housework and the man’s key responsibility was to be the breadwinner (if in paid work) or to seek this role (if unemployed).

The women in these relationships demonstrated some ambivalence about their role: they often bemoaned their situation yet rationalised it too. It was often attributed, especially by older people, to ‘the way you’ve been brought up’. Older women in higher social grades (BC,) also described this traditional division of domestic roles, but were less accepting of the situation.

In contrast, younger participants across all social grades described greater sharing or negotiation of household tasks, amounting in some cases to a conscious reversal of traditional roles. Factors that modified this sharing of tasks included: the type of relationship; negotiation of roles; and life changes such as illness or one partner finding paid work. In these cases, choices were based on pragmatism or preference rather than dictated by tradition. The changed position of women in society, including the effects of the increased employment of women outside the household, were believed to be behind this, as well as the increase in people having grown up in one-parent families.
In line with the findings of a number of other studies (Pahl 1989, Goode et al, 1998) arrangements for financial management were also highly gendered within couples claiming JSA. The named claimant (usually the man) would pick up the JSA payment, regarding this as an equivalent to a wage. The money was then given to the woman for housekeeping, often with the exception of some loose change (which was seen as the man’s personal money).

Among participants in the ‘general population’ groups, there was greater variation in how the money was managed, although this may be because more of these participants were in the higher social grades (ABC1). Some households described splitting their earnings or benefit between each partner, or the partner who was best at handling money managed the finances. In general, a move was noted towards greater individual financial independence for women.

Jobseeker’s Allowance and partners: responses to current arrangements

Whereas the general public had very low awareness of arrangements for benefit payments for unemployed couples, jobseekers and partners demonstrated higher levels of knowledge on these issues. There was, however, confusion about who should or could be the named claimant for receiving JSA29. It appeared that few jobseekers had made an active decision about which partner should become the named claimant. Some clearly believed that it was ‘right’ for the male partner to be the named claimant. These views reflected the attitudes expressed earlier about male and female roles. A more common view though was that current arrangements stipulate that it has to be the male partner who becomes the claimant.

‘It’s what their forms state, it has to be in the partner’s name, the male partner.’ (Woodfield and Finch, 1999: female, partner, 41-59, Midlands)

Several people said that Employment Service or Benefits Agency staff had told them this.

‘He’s the breadwinner, they’ve actually said he’s the breadwinner, he is the one they accept.’ (Woodfield and Finch, 1999: female, partner, 18-29, South-west)

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29 The Social Security Act 1980, established the principle that an unemployed woman in a couple has the same right to claim as the man. The Jobseeker’s Act is gender neutral and refers to the claimant, or jobseeker, as ‘a person who claims Jobseeker’s Allowance’.
Study participants were asked their views about the current JSA arrangements using ‘concept boards’ 39, which set out the key elements of JSA and the arrangements for partners. The current arrangements for partners were poorly received by all groups, the dominant feeling being that they were unfair. All groups expressed strong criticism of arrangements, which focused solely on the jobseeker rather than treating both partners equally. This criticism did not appear to be linked to the age, gender or social class of the respondent. Establishing the rights of individuals and equality of treatment were dominant themes throughout these discussions.

A number of features of the current arrangements generated particularly heated discussion: partners’ access to government help; the arrangements for benefit allocation; the level of benefit paid; the responsibilities and penalties attached to JSA receipt; and the receipt of benefits by partners. These are discussed separately below.

**Partners’ access to government help.** Participants felt strongly that help should be available for both partners, regardless of who was the named jobseeker.

‘Why should he be treated differently from me. At the end of the day, it means me going back to work and he's at home with the roles just reversed, because he will be at home with the children, but the point about it is, why should I be told, well you can't have this help yet, he's the one who's claiming.’ (Woodfield and Finch, 1999: female, partner, 25-40, South-east)

This dissatisfaction was tempered by the widespread belief, based on an underlying cynicism about past unemployment schemes, that help received from government was not particularly effective.

‘I think it's window dressing because I don't think they're offering enough help to the claimants, let alone to the partners.’ (Woodfield and Finch, 1999: female, jobseeker, 25-40, Wales)

**Benefit allocation.** The fact that the whole of the couple rate for Jobseeker’s Allowance is paid to the jobseeker was seen as both unfair and problematic. The general public groups thought that this would reinforce or encourage female-male dependency within the relationships, forcing women to rely on their partners for money. The arrangements were seen, by all groups, at best as anachronistic and at worst as discriminatory to women.

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39 Key facts and figures were compiled by the researchers, in consultation with DSS officials, and presented in a clear format on large boards in order to input information and stimulate discussion among group participants.
The payment of benefit to one partner in a couple was also seen potentially to lead to relationship difficulties and stress because one partner was entirely dependent on the actions of the other. Partners were dependent on jobseekers to meet the requirements which would secure continued payment of JSA, and were also reliant on claimants to hand over sufficient money for housekeeping.

'I don’t think you should give the money to one individual person because that could be quite dangerous really in a relationship for one person to have control of the money, whoever it is.' (Woodfield and Finch, 1999: female, General Public, 18-29, South East)

Jobseekers were generally less concerned about to whom the benefit was allocated; arguing that it was usually handed straight over to their partners in any case. However, some partners disagreed and expressed their resentment about being dependent.

Given these concerns participants discussed ways in which the system of allocation might potentially be changed. There was some support in all groups for introducing a practice of splitting benefit payments equally between the jobseeker and partner. It was believed that such a scheme would increase the independence of partners, in recognition of their role in maintaining the household during dual unemployment, and would equalise the responsibilities of both partners. The scale of this research meant it was not possible to fully explore this issue. However, this small-scale study revealed a high level of dissatisfaction with the current position of partners, and a strong perception that the current system reinforces gender divisions in a way that is out of step with other financial systems:

'If we have separate taxation why don’t we have individual benefits…it seems crazy.' (Woodfield and Finch, 1999: female, General Public, South East)

Where this issue has been explored in greater depth (Goode et al, 1998), women also identified potential disadvantages with making split payments. In particular they were concerned that separating out individual entitlements could further encourage men to view their part of the allocation as personal spending money which would effectively be removed from the household pot.

**The level of benefit paid.** There was a feeling that the current arrangements were unfair because they treated jobseekers and partners differently in relation to the level of benefit paid. Currently, jobseekers receive the couple rate for JSA, which is effectively a single person’s allowance supplemented by an extra, but smaller, allowance for their non-working partner. This was perceived as giving the message that the partner was considered less than an individual because the level of benefit was too low for two people to live on. It was also suggested that this could potentially encourage fraud by making it more worthwhile for couples to make separate claims in order to receive higher benefits.
The responsibilities and penalties attached to the receipt of JSA. There was concern that current arrangements assign very different roles and responsibilities to jobseekers and their partners: the jobseeker (usually male) has an active role; whilst the (female) partner is assumed to have a passive role. Many participants thought it unjust that the onus rested solely with the jobseeker to comply with JSA requirements in order to receive benefit, but that the partner was also penalised if these conditions were not met. Others, however, were not convinced that there was a problem, arguing that jobseeking is the jobseeker’s responsibility in the same way as holding down a job to provide the family with income.

The receipt of benefits by partners. A few participants, particularly in the ‘general public’ groups, suggested that it was not fair for partners to receive an allowance from the state without themselves being required to take an active role in jobseeking. However, this was hotly contested by others who believed that partners, particularly those with children, were ‘doing something for their money’ by maintaining the household.

All groups believed that the current arrangements were detrimental to partners for three reasons. First, the lack of automatic access to training and/or help with jobsearch would reduce the partners’ chances of finding work now or in the future. Second, it was feared that current arrangements were demoralising for partners who were offered little incentive to consider finding work. For those partners who had already demonstrated a desire to work, current arrangements were seen as a barrier by denying access to help or training that might facilitate their entry to the labour market. Several partners related difficulties they had encountered when trying to access help at Jobcentres:

‘Well, I can remember when it was my ex-partner signing on for us both, he was going on jobclubs and they were sending him on all sorts of courses and I phoned them up and said “excuse me but I want to look for work as well, I need the help, can you help me out?” “No, it’s your partner we can help out, not you.” I says “why?” and they gave me a load of ramble that I didn’t understand. So they really don’t do much for the partner that isn’t signing on.’ (Woodfield and Finch, 1999: female, partner, 41-59, Midlands)

Finally, current arrangements were perceived as detrimental to partners by making the non-working partner reliant on the jobseeking partner, fostering dependency within the relationship.
Reactions to the proposed policy reforms

The proposed reforms

Respondents were asked for their reactions to proposed policy changes affecting couples on JSA. The reforms were presented as redefining the roles and responsibilities of partners of jobseekers in relation to jobseeking and included steps to increase access to government help and training. The proposals did not include any alterations to the current arrangements for benefit allocation or to the current levels of benefit paid to non-working couples. The reforms were presented in outline as follows:

* For **childless couples** where at least one partner is aged 18 to 24 years, *both* partners would be required to meet the entitlement conditions for JSA. After claiming JSA for six months, they would then be included in the New Deal for Young People with its penalty system for those partners who refuse to participate in one of the four options offered after a four-month gateway period.

* For **those over 25**, or those of any age with dependent children, help would be offered, through the New Deal for Partners of the Unemployed, on a voluntary basis to partners of those who have been claiming JSA for at least six months. They would be invited to attend an interview with an employment adviser where they would be given intensive help to find work. This includes opportunities for further advice and training for those who need it.

General reactions

The main finding of the study was that the proposed reforms were broadly welcomed by all respondents. They were believed to redress the perceived drawbacks identified in the existing arrangements and, importantly, to increase the opportunities for at least one of the couple to find employment.

The perceived positive aspects of the proposed reforms were, first, that they were fairer than current arrangements because they treated both partners, equally, as individuals in their own right. In particular, the proposed reforms were welcomed because they included equal access for partners to help and training. Second, as a result of widening access to help and guidance, the proposals were thought to *double the chances* of at least one member of the household finding work. Finally, widening access to and increasing opportunities for partners was seen to *broaden their horizons* and help them to consider alternatives to not working. In addition, some felt that the sharing of responsibility for seeking work would help to increase equity in relationships, empowering partners and potentially reducing relationship stress.
However, the broadly positive response to the proposals was tempered by some concerns. First, there were fears about compulsion and the use of penalties. The scheme for those over 25 and/or with children was broadly welcomed because it was voluntary. There was a concern, though, that this might only be a temporary stage and that the scheme would eventually become compulsory. The major concern about any move towards compulsion was the potential impact on families if the key carer, usually the mother, was to be ‘forced’ into active job seeking. This was described as ‘unworkable’ and ‘anti-family’.

Furthermore, there was concern about the potential for increased relationship stress through the application of penalties, increased responsibility and extra costs of job search if both were forced to go to work. There was also the fear that the chances of the family suffering from benefit sanctions and potential financial hardship would be doubled. It was even suggested that the voluntary nature of the scheme for those with children might encourage young, childless partners to become pregnant to avoid the compulsory element of the New Deal for 18–24 year olds.

Participants were also concerned about the impact of the proposed reforms on existing jobseekers. They believed that extending opportunities to partners would, by increasing the number of people entitled to help, potentially result in a more inefficient system and less available help for jobseekers. This view was particularly prominent amongst those with recent experience of using Jobcentres.

‘It’s hard enough trying to find the claimee the job to go to, so what would be the point of both of you going down there and just cluttering up the Jobcentre?’ (Woodfield and Finch, 1999: male, jobseeker, 25-40, South West)

In addition, concern was expressed that existing jobseekers could be demoralised if they believed that the government’s focus was being diverted away from them and towards their partners.

In line with their criticisms of existing JSA arrangements, participants were concerned about the absence of any detailed proposal to alter or amend the way in which benefits are allocated to couples or to the level of benefits paid for partners. Many felt that the system would only be seen as completely fair when these issues had been addressed, either by splitting the current benefit between both partners or, more popularly, by paying separate but equal benefit allowances to each partner at the current single person’s rate.
Overall, proposals for reforms to the JSA system for young, childless partners were met with qualified support from all respondent groups. The New Deal for 18-24 year olds package was welcomed both because of its exclusive focus on the young unemployed and because of the variety of training, support and employment options it offers. The proposals for partners were welcomed within this context of support for a policy that was widely believed to rectify what was seen as an historical neglect of the needs of the young unemployed.

The package of help and assistance to be offered under the New Deal for 18-24 year olds was commonly expected to provide the incentives and motivation that young people need. There was a perception that young people required a higher degree of encouragement and motivation than other unemployed people, even in those groups composed of young people.

‘On the face of it, it seems sensible. You’re aiming at a young group that might need a little bit of motivation, missed out on their education, a chance to get some qualifications, it stops them sitting back and doing nothing. So I’m all for that.’ (Woodfield and Finch, 1999: male, general public, 29-45, South East)

The reforms were also supported for two other reasons although these were less widely held views. Both reasons illustrated a belief that government action to tackle unemployment, if effective could also provide solutions to other social problems. First, it was thought that the proposals might prevent young people becoming involved in crime by ‘keeping them out of trouble’ and ‘off the streets’. Second, there was some support for the argument that the New Deal for 18-24 year olds might prevent young women becoming pregnant by encouraging them to consider work as an alternative to early motherhood. In contrast, some were worried that the ‘compulsory’ element of the proposals for the New Deal for Partners of the Unemployed might encourage purposeful pregnancy amongst young partners trying to avoid having to actively seeking work.

Although widely welcomed, there were also some reservations about the proposals, particularly from jobseekers and partners who tended to be the most sceptical about the effectiveness of government schemes. There were fears that the scheme would primarily benefit employers rather than young participants. It might just be a way, they said, to provide employers with ‘slave labour’ and could lead to ‘exploitation’ of the young. There was also concern about the permanence of the scheme. Many training schemes or policies to help different groups amongst the unemployed were regarded as passing fads with little continued support from government.

‘It’s good but it probably won’t last long and they’ll change it in six months time.’ (Woodfield and Finch, 1999: female, partner, 18-29, South West)
A key feature of the proposals for couples under 25 is that partners’ participation would be compulsory. Study participants were generally content with the idea of compulsion for young couples without children. Many suggested that an age cut-off was too low and should be extended to a higher age than twenty-five. There were varied views on what the upper limit should be, ranging from twenty-eight to fifty years of age. The reason given for extending the upper age limit for the ‘compulsory’ scheme was that respondents believed flexibility and choice in participation should be offered only to those who had reached a particular stage of maturity.

Despite this overall support for compulsion for younger age groups, some participants were in favour of the inclusion of a discretionary element that would enable some partners to be exempt from the formal requirements of JSA entitlement. Opinion was divided on this issue. On the one hand, it was argued that each and every case needed to be assessed individually because generic rules could not take into account the particular needs and circumstances of each couple. On the other hand, it was recognised that exceptions could become unworkable and encourage unfairness and inequity because the system treated everybody differently rather than following set rules and procedures. In order to explore further the issue of exemptions the groups were shown vignettes and asked to discuss the likely implications for couples in different circumstances.

One vignette looked at the situation of Kath and Jerry who were receiving JSA at the couple rate. Jerry was the named claimant, meeting the conditions for active jobsearch, while his partner, Kath, was studying for over 16 hours a week. Under the proposed reforms, if Kath was required to become a jobseeker, attendance on a course of over 16 hours a week would make her unable to prove that she was available for work. The couple would therefore risk a sanction and financial penalty if she did not give up her course. Participants in all groups were opposed to this situation:

‘I think that’s absolutely absurd that anybody should have to give up a full-time place on a course because they’re going to end up in the circumstances where they can get themselves a job of quite a high level. So then if you take them out of the course because of that reason they’re then going to be claiming benefits, claiming this, claiming that, they’re then going to be more dependent on the government.’ (Woodfield and Finch, 1999: female, general public, 18–29, North East)
Students were thought to be already ‘doing what the government wants’ by following training which should help them to find work eventually, ‘they are building for their future’. As a result there was complete agreement that when one member of a couple was a student they should be allowed to continue to receive JSA at the couple rate without the student partner having to comply with JSA requirements. However, a minority (mainly social grade C,DE) believed that the exemption should be based on the value of the course being followed (that is, the extent to which it would help make the individual ‘job-ready’) rather than applied universally.

Exemptions were also considered appropriate for cases where the partner had caring responsibilities for someone with a long-term illness or disability. Here again the response was clear and unambiguous: partners who were carers should not have to actively seek work in order to receive their allowance. They were seen to provide a vital, unpaid, service for society. Any steps which might lead to them having to abandon their caring responsibilities were seen as detrimental, both to the family and to the state which would then have to finance a carer to carry out that role.

The question of whether exceptions could or should be made on the basis of cultural or religious difference produced heated discussions. A vignette was used which described the case of Aftab and Avsham, a young Muslim couple. The vignette suggested that Avsham would have difficulties complying with current JSA requirements both because of her limited English and because her religious views meant she would be distressed by having to work outside of her community and with men. Responses to this situation appeared to be primarily related to class31. The dominant view was that any form of exception or different treatment on the grounds of religious or cultural difference would be unfair and should not be allowed. This view was most widely held by those from social grades C,DE. The discussions centred on the fact that Avsham was a recent immigrant to the country and the view that ethnic minorities should adapt to the dominant culture rather than expect different (perceived as ‘preferential’) treatment.

In contrast, others (mainly those from social grade ABC) argued that some consideration of cultural and religious difference was necessary in a multi-cultural society. These respondents argued that the New Deal for 18-24 year olds could include different avenues that would enable Avsham to participate in work or jobseeking without compromising her religious beliefs. Suggestions included delivering the scheme within ethnic communities, encouraging Avsham to explore self-employment which could be home based, or placing her onto the training option which would allow her to improve her English.

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31 It should be noted that the focus groups were predominantly white.
The proposals to extend access to government help and training for partners aged 25 years and over and those with children on a voluntary basis were universally supported as an improvement on existing arrangements. In general, respondents found it easier to argue the case for compulsion among younger couples without children than they did for older couples. Overall, they therefore supported a voluntary scheme in which the individuals themselves decide whether they wished to take up the offer of help and training in return for meeting the conditions attached to receipt of JSA.

The vignettes included cases where couples had young children and cases where the children were older and of secondary school age. As would be expected from earlier discussions, and the ONS Omnibus Survey findings, there was general agreement that those with pre-school children should not be required to seek work. In these circumstances the proposal was seen as appropriate in allowing parents choice and offering them the opportunity to take part in training.

A range of views was expressed about the role of the partner once children had reached school age. A minority of respondents believed that regardless of the age of the child the parent with the caring role should not be expected or required to seek work. This was because it was felt that the parent should be able to choose whether they wanted to be full-time parents or not. Others believed that children needed constant parenting even when they were in their late teens. More commonly, the groups felt that it was unacceptable – albeit to different degrees – that a parent with children at school should make no effort to find work. In recognition of these differing views in respect of older partners and those with children, most participants came to the conclusion that it was right not to compel them to seek work.

While the voluntary nature of the scheme was seen as a valuable feature of the proposals for more mature partners, there was some concern that this reflected a lack of serious interest, on the part of government, in providing for the needs of this age group. This was frequently accompanied by the perception that in setting the limits as described in the proposals the government was ‘writing off the over 25s’.

On the other hand there was little support for investing effort in requiring and helping older partners, particularly those over fifty years old, to (re-)enter the labour market. One vignette described the situation for Margaret, a mother in her fifties who had not worked since she had her children 30 years ago. The idea of applying requirements to Margaret and others in her situation caused concern in all the groups. The respondents felt that inclusion in the scheme should be voluntary otherwise it would be ‘unfair’ because they lack both relevant skills, such as IT, and experience; and ‘cruel’ because it would force them to compete for a limited number of jobs when they were nearing retirement.
Whilst it was acceptable to offer these partners the opportunities for help and guidance, should they want to seek work, it was said to be unacceptable to compel them to do so.

\[ M3: \text{`How many employers are going to want a 52 year old when you can get a 22 year old and you can keep a 22 year old for thirty years.'} \]

\[ F1: \text{`And at 52, how much is your health going to last out until you’re 60 as well, to be fair.' (Woodfield and Finch, 1999: general public, 29–45, South East)} \]

Therefore, it was widely believed that the JSA system should include some degree of ‘leniency’ for older partners. The justification for making exceptions for this group was in relation to: fairness - in most cases the current jobseeker would have worked all of their lives and have contributed to National Insurance, similarly their partner would have supported them by maintaining the household and bringing up the children. For these reasons respondents generally felt that ‘the least these couples could expect’ was to receive some benefit from the state. And compassion - the partners would be low in confidence, lacking in skills and experience. Being compelled to seek work could be extremely stressful for them when they were ‘winding down for retirement’.

‘Unemployment is a bigger shock [for older women because] they’ve begun a married life in the situation where it was accepted that the man was the breadwinner and the woman actually was the one who kept the home running and suddenly that rug is pulled. They don’t have the skills, they don’t have the confidence and I think that would actually be very cruel to ask somebody who is probably late fifties [to actively seek work]... actually I don’t know how they begin to do that and I think you’d have to actually accommodate the fact that they need support.’ (Woodfield and Finch, 1999: female, general public, 45–70, North East)

4.4 Summary of findings

Rights and responsibilities of jobseekers

These findings have indicated strong public support for the idea that jobseekers should have to meet certain conditions in return for receiving out of work payments and that those who refused to either work or train should not be allowed to stay on benefits indefinitely. For the most part, there was also support for the idea that work is the best form of welfare, although there were some exceptions to this. In particular, it was generally felt that unemployed people in education or training should not necessarily have to give it up if they are offered work. In addition, the public did not agree that unemployed people should have to take any job offered, particularly if it paid less than they would receive on benefit.
Proposals for partners of jobseekers

The public strongly supported the idea that both partners in an unemployed couple should have to seek work as a condition of receiving benefits. This, however, only applied when the couple had no children. In respect of couples with pre-school children, the consensus was that only one partner should be obliged to seek work. Opinion was divided over what should happen when an unemployed couple had a school-age child. Nearly half thought that both should have to look for work and a similar proportion thought that only one should be obliged to do so. Further analysis revealed that there were significant generational differences: younger age groups were more likely to support the idea that both members of an unemployed couple should have to look for work, no matter what their family situation was.

Overall, the package of reforms outlined for partners of jobseekers was favourably received. It was believed to rectify inequalities in the existing arrangements for JSA, which mainly affected women, and to extend equality of opportunity for non-working partners. Key positive features of the proposals were: the extension of equal rights to government help and training schemes for partners; increased motivation and help for the young unemployed; and voluntary access to programmes for partners with child care responsibilities. However, compulsion was only seen as acceptable in the case of young, childless partners where it was expected to increase motivation and reduce dependency within relationships. In addition, it was felt that reforms should also be made to current arrangements for benefit receipt, for example by splitting the current JSA payment between partners.

It was generally agreed that in some circumstances exceptions to the proposed rules requiring both partners to actively seek work would be necessary. These included partners who were in full-time education and those who had caring responsibilities. There was little support for extending these exceptions to partners on the basis of cultural or religious barriers to work.

The age limit for requiring partners to meet JSA conditions was viewed by some as too low. Respondents felt that it should be raised to include older childless partners but that it would be unfair to compel older women returners (over fifty years old) to actively seek work.

General concerns were raised in relation to: the detrimental impact of the reforms on existing jobseekers; a potential overload on Jobcentre resources and the appropriateness of encouraging or compelling partners to seek work in situations where the labour market was unable to provide adequate vacancies for existing jobseekers. There were also other concerns, such as whether resources should instead be focused on moving existing jobseekers into work, the appropriateness of diverting resources from other public purses, and the potential costs of ‘doubling’ the jobseeker population.
This chapter is edited by Teresa Williams, DSS Social Research Branch, drawing on the original work of Dawn Snape, William O’Connor (SCPR) and John Kelly (Independent Consultant).

The need for welfare reform is in part driven by changes in society in the fifty years since the welfare state was set up. In particular there have been significant changes in the overall number and composition of households, partly as a consequence of an increase in relationship breakdown through separation or divorce. It is estimated that in 1996, 1.6 million families were headed by a lone parent, this representing between one fifth and one quarter of families with dependent children. Couples with stepchildren represented about seven per cent of all couples with children.

The principles of welfare reform require a change to the way in which the welfare state provides for families where children are not living with both their natural parents. The Government believes that work is the best form of welfare, and is the best route out of poverty for lone parents. Policies are being developed to provide new opportunities for lone parents to move into the labour market, as the great majority of lone parents say they wish to do. For families within the child support system, there will be a new emphasis on ensuring - firmly, fairly and efficiently - that non-resident parents make a financial contribution to their children, based on the principle that children should receive support from both their natural parents.

The government’s first principle of welfare reform is that the new welfare state should help and encourage people of working age to work where they are capable of doing so. Researchers, lobbyists and politicians have recognised that lone parents, among other groups, need specific help to overcome the particular difficulties they face in balancing work and childcare, and in making the transition from benefits to work. The government has therefore framed policy to meet these difficulties.

There has also been some public debate on the extent to which lone parents’ responsibilities can and should include seeking work.
The government has set in train policies that aim to provide support and encouragement for parents to participate in the labour market:

- Following the development of prototypes in eight areas, the New Deal for Lone Parents is now available nationally to all lone parents. The programme is targeted at lone parents whose youngest child is at school. The government believes that the best way of improving labour market opportunities is through 'tailor-made' packages that suit the needs of an individual at a particular point in time. The New Deal for Lone Parents provides such tailor-made assistance, with personal advisers helping lone parents to put together a package of job-search, training, childcare and in-work benefits.

- The Working Families Tax Credit, which will replace Family Credit from October 1999, will be a more generous and effective method of ensuring that work pays for families with children. Its childcare tax credit, coupled with the extra investment of £470m for the implementation of the National Childcare Strategy, will make good quality childcare more affordable and accessible on a national basis.

- Lone parents' anxieties about the risk of returning to work will also be eased by protected entitlement to benefits for 12 weeks after taking work, to cushion the risks of leaving benefits into an insecure job market. This 12 week 'linking rule' ensures that lone parents who currently qualify for lone parents' premium and Child Benefit (lone parent) will not lose out if their job is short-lived.

5.1.2 Reform of the child support system

The new system of child support is to be based on two key principles: that where children do not live with both their parents, the non-resident parents contribute to the financial support of their children; and that the state child support system should be fair, efficient and firmly enforced. A number of proposals were put forward in the Green Paper, 'Children First: a new approach to child support' (DSS, 1998b):

- a simplified formula for calculating the contribution to be made by non-resident parents is intended to ensure greater transparency and allow parents to more easily predict and budget for the amount they will have to pay;

- an improved service that will be quicker and more localised with clearer communication and a personal caseworker service;

- greater integration with the welfare system; and

- greater incentives to co-operate for lone parents on income support, who will be allowed to keep up to the first £10 of the maintenance paid each week.
The government is keen that the views of the public should inform the policy development process, and has made use of existing data on public attitudes as well as commissioned new studies. In 1994 and 1995, DSS provided financial support towards a set of questions in the British Social Attitudes survey series to measure public attitudes towards lone parents working. These questions were repeated more recently - in November 1997, February 1998 and September 1998 - in the ONS Omnibus Survey. Parallel questions were also included in a national survey, sponsored by DSS on behalf of the Women’s Unit and carried out by SCPR, of nearly a thousand women undertaken in the Spring of 1998.

New work was also commissioned to enable qualitative exploration of the attitudes of both the ‘general public’ and specific interest groups. Focus groups were conducted in March 1998 by SCPR to gauge views on lone parents working and on attitudes to child support arrangements in April 1998. The findings of each of these studies are presented below, drawing on other relevant published work as appropriate.

The data from the ONS Omnibus Surveys in 1997 and 1998 enable us to compare public attitudes to work for lone mothers, and mothers in couples. In each case, respondents were asked whether they thought a mother had a special duty to go out to work to support her child, to stay at home to look after her child, or whether the mother should be able to do as she chooses. These questions were asked about mothers in four different situations: lone mothers with pre-school children and those with a child of school age; and mothers in couples with pre-school and with school-age children.

Table 5.1 presents findings based on the most recently available data, the September 1998 ONS Omnibus Survey. Attitudes towards mothers working - whether lone mothers or in couples - appear to be influenced more by the age of the child than the circumstances of the mother. For lone mothers with pre-school children, there was greater support (from around half of the respondents) for the idea that mothers of pre-school children have a duty to stay at home than for the other options, although a large minority thought mothers should be able to choose. For mothers in couples, opinion was approximately equally divided between those who felt the mother should stay at home and those who believed she should do as she chooses.

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The idea that mothers have a duty to go out to work to support their children was more acceptable for mothers of school-age children than for mothers of pre-school children. Overall, respondents regarded lone mothers as having a greater obligation, in comparison with mothers in couples, to go out to work, whatever the age of their children.

Further analysis revealed some gender differences, especially around the issue of whether lone mothers of pre-school children should stay at home or have a choice. Men were more likely than women to feel lone mothers of pre-school children should stay at home (52 per cent of men compared with 37 per cent of women selected this option), while women were more in favour of choice than men (43 per cent of women compared with 31 per cent of men selected this option). The survey of women’s attitudes to combining work and family life (Bryson et al, 1998) found women to be much more likely to support choice (57 per cent), than either of the other two options (12 per cent and 24 per cent respectively selected ‘duty to work’ and ‘duty to stay at home’), for lone mothers with pre-school children. Similar gender differences were found in respect of mothers in couples.

Table 5.1: Attitudes to work for lone mothers and mothers in couples in 1998

<table>
<thead>
<tr>
<th></th>
<th>Lone Mothers</th>
<th>Mothers in Couples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-school</td>
<td>School-age</td>
</tr>
<tr>
<td></td>
<td>child %</td>
<td>child %</td>
</tr>
<tr>
<td>The mother ...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>... has a special</td>
<td>15</td>
<td>45</td>
</tr>
<tr>
<td>duty to go out to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>work to support her</td>
<td></td>
<td></td>
</tr>
<tr>
<td>child</td>
<td></td>
<td></td>
</tr>
<tr>
<td>... has a special</td>
<td>44</td>
<td>7</td>
</tr>
<tr>
<td>duty to stay at</td>
<td></td>
<td></td>
</tr>
<tr>
<td>home and look</td>
<td></td>
<td></td>
</tr>
<tr>
<td>after her child</td>
<td></td>
<td></td>
</tr>
<tr>
<td>... should do as</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td>she likes, like</td>
<td></td>
<td></td>
</tr>
<tr>
<td>everyone else</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don't know/can't</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>choose</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Base: adult population 1676 1676 1676 1676

Source: ONS Omnibus Survey, September 1998
The data from the BSA and ONS Omnibus surveys also allow us to consider how attitudes towards lone mothers have changed over time, although differences in the data collection methods (self-completion in BSA, face-to-face interviews in the ONS omnibus) and the within-year timing of the fieldwork impose some limits on comparability. Since 1994, there appears to have been some movement towards increased support for lone mothers with school age children going out to work. This trend has been counterbalanced by a reduction in those who think lone mothers should do as they like (Table 5.2).

Table 5.2: Views on the responsibilities of lone mothers of school age children over time

<table>
<thead>
<tr>
<th>BSA '94 (Spring)%</th>
<th>BSA '95 (Spring)%</th>
<th>ONS '97 (Nov)%</th>
<th>ONS'98 (Feb)%</th>
<th>ONS'98 (Sept)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lone mother with school aged children...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>...has a special duty to go out to work to support her child</td>
<td>28</td>
<td>42</td>
<td>43</td>
<td>48</td>
</tr>
<tr>
<td>...has a special duty to stay at home and look after her child</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>... should do as she likes, like everyone else</td>
<td>60</td>
<td>45</td>
<td>47</td>
<td>40</td>
</tr>
<tr>
<td>Don't know/can't choose</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Base: All respondents</td>
<td>1000</td>
<td>1035</td>
<td>1854</td>
<td>1859</td>
</tr>
</tbody>
</table>

For lone mothers with pre-school children, attitudes have also become more polarised over time. By September 1998, people were more than twice as likely compared with 1994 (44 per cent and 21 per cent respectively), to think mothers in these circumstances have a special duty to stay at home to look after their children. There was less consistent change in the proportion thinking such mothers should have to go out to work: an initial increase from 9 per cent in 1994 to 18 per cent in 1997 had been partially reversed by the end of 1998 (to 12 per cent in February and 15 per cent by February). Again, these shifts have been accompanied by an overall reduction in the proportion thinking lone mothers should be able to do as they like (Table 5.3).
A lone mother of a pre-school child...

- has a special duty to go out to work to support her child
  - BSA'94: 9%
  - BSA'95: 16%
  - ONS'97: 18%
  - ONS'98 (Nov): 12%
  - ONS'98 (Feb): 15%

- has a special duty to stay at home and look after her child
  - BSA'94: 21%
  - BSA'95: 23%
  - ONS'97: 38%
  - ONS'98 (Nov): 50%
  - ONS'98 (Feb): 44%

- should do as she likes, like everyone else
  - BSA'94: 60%
  - BSA'95: 51%
  - ONS'97: 40%
  - ONS'98 (Nov): 34%
  - ONS'98 (Feb): 37%

Don't know/can't choose
  - BSA'94: 9%
  - BSA'95: 9%
  - ONS'97: 4%
  - ONS'98 (Nov): 4%
  - ONS'98 (Feb): 4%

Base: adult population
  - BSA'94: 1,000
  - BSA'95: 1035
  - ONS'97: 1854
  - ONS'98 (Nov): 1859
  - ONS'98 (Feb): 1675

Responsibility for childcare

In addition, the ONS Omnibus Surveys asked about the responsibility of the state to provide a contribution to the childcare costs for working mothers of pre-school and school age children. The results presented in Table 5.4, based on data from the November 1997, February 1998, and September 1998 ONS Omnibus Surveys, indicate general support for the idea that the government should help working mothers meet their childcare costs. In general the state was seen to have a greater obligation to help lone mothers than mothers in couples, and those with pre-school children were seen as greater priority than those with school age children. Interestingly, views did not vary with gender.

Table 5.4: % agreeing that the government should contribute to the childcare costs of lone mothers and mothers in couples

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone Mothers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of pre-school children</td>
<td>74%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>of school age children</td>
<td>63%</td>
<td>68%</td>
<td>68%</td>
</tr>
<tr>
<td>Mothers in Couples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of pre-school children</td>
<td>52%</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>of school age children</td>
<td>39%</td>
<td>49%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Base: All respondents
  - Nov: 1854
  - Feb: 1859
  - Sept: 1859

5.2.2 The views of lone parents

A number of surveys of lone parents suggest that the majority want to work. For example, Finlayson and Marsh (1998) classified a sample of lone parents according to their labour market orientation, based on their past work histories and their future intentions. At the time of the survey, nearly one in four lone parents were working: 18 per cent for 24 hours per week or more; 10 per cent for 16-23 hours; and a further 10 per cent working up to 15 hours per week. An additional 41 per cent had previous work experience and only one in ten said they had never worked. Thinking about the future, over a quarter (28 per cent) of lone parents intended to be working for 16 hours a week or more; another 10 per cent were currently seeking work; and 43 per cent intended to seek work in the near future or ‘one day’. Taking these findings together, the study found that overall, out of every 10 lone parents: three already worked at least 16 hours a week; three were ready to work (at least one of these was already actively seeking a job); three expected to seek work ‘one day’, but not yet; and one thought they would never work. The majority of the latter group had very little labour market experience.

5.3 Qualitative study on attitudes to lone parents working

5.3.1 Study aims and objectives

In March 1998, SCPR was commissioned to undertake a small-scale qualitative study to further explore and interpret the quantitative attitudinal findings presented above. Ten focus groups were conducted with the general public (eight groups) and with lone mothers themselves (two groups) to explore the issues. Given the small scale of this study, and their low incidence in the lone parent population (around eight per cent), lone fathers were not included in the research.

The specific objectives of the study were to explore:

• public perceptions of lone parents and lone parenthood;
• attitudes about lone parents and work: the circumstances in which it is more or less acceptable for lone parents to work; and the perceived implications of going out to work for them, for their children and for society at large;
• the extent to which people perceive lone parents to face particular barriers to work;
• views about whether special help – particularly childcare – should be provided to lone parents and who should be responsible for providing this;
• awareness of and response to the New Deal for Lone Parents; and
• views about who should be financially responsible for the children of lone parents and the circumstances under which this should apply.

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34 September to December 1994.
General images of lone parents

The study explored both spontaneous imagery of lone parents as well as reactions to statistical information about lone parents provided by DSS. Respondents recognised lone parenthood as an increasingly salient issue in British society. Most felt this was because the incidence of lone parenthood had increased, but some felt the increase was more apparent than real, having been previously ‘swept under the carpet’. Even so, people tended to underestimate the proportion of lone parents in the population and were often surprised to learn that one family in four is a lone parent family.

When participants in the general population groups were asked for their impressions of lone parents a few recurrent images emerged. One popular image of lone parents was of a young teenage mother who may never have been in a committed relationship. Another pervasive image was of older mothers who had become lone parents following one or more relationship breakdowns. Some participants also noted that lone parenthood might be linked to other types of circumstances such as the desire to have a family despite the lack of a committed relationship; or that it could arise unexpectedly and affect anyone, as would be the case, for example, with bereavement.

Spontaneous imagery was in part influenced by dominant media stereotypes which portray lone parents as irresponsible working class girls with few educational qualifications and little work experience who had chosen lone parenthood in order to get state benefits. While there was awareness of these stereotypes across all respondent groups, the extent to which they were accepted varied with socio-political orientation; awareness through personal acquaintance and age. Younger respondents, and those who had more direct contact with lone parents, tended to be more questioning and critical of the dominant media images. Figure 5.1 summarises how images of lone parents varied.