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EXPERT COMMENT: Rishi Sunak wants to cut the cost of 'sicknote' Britain. But we've found a strong economic case for benefits

In this article originally written for The Conversation*, from Northumbria University, Elliott Johnson, Senior Research Fellow in Public Policy and CAPE North of Tyne Combined Authority Policy Fellow, Howard Reed, Senior Research Fellow in Social work, Education, and Community wellbeing, and Matthew T. Johnson, Professor of Public Policy, discuss the economic case for benefits.

Prime minister Rishi Sunak has announced a crackdown on sickness and disability benefits in order to end a "sicknote culture" and "over-medicalising the everyday challenges and worries of life", in part because he claims that "good work" can actually improve mental and physical health. He instead wants to focus on "what people can do with the right support in place, rather than what they can't do".

Taxpayers and recipients of sickness and disability benefits might feel like they've heard all this before. Back in 2015 then-work and pensions secretary Iain Duncan Smith promised to "end sicknote culture" by supporting "a system focused on what a claimant can do … and not just on what they can't".

And there are echoes too of 2007 when then-work and pensions secretary Peter Hain promised to end "sicknote culture" to focus on what people "can do rather than what they cannot do", in part because of a belief that being in work "is usually good for people with all types of mental health problems".

Given their unquestioning belief in the efficacy of such measures, it must be

confounding for politicians to learn that the numbers of disabled people and people claiming disability benefits continues to rise.

In the last ten years, the percentage of working-age adults who are disabled has increased from 16% to 23%, while among children it has gone from 7% to 11%. Interestingly, for people of state-pension age, the figure has remained relatively stable (43% to 45%).

In April, the Institute for Fiscal Studies reported that the proportion of working-age people claiming disability benefits increased from 1.5 million in 2002/03 to 2.3 million in 2019/20, before spiking to 3.3 million in 2023/24.

It is this trend that Rishi Sunak claims needs to be addressed, with mental health conditions a growing component of new disability benefit claims. The point, though, as the figures demonstrate, is that reforms that focus on tightening eligibility criteria and stringent assessment do nothing to reduce the number of people claiming.

Rather, we can point to a real economic case for government investment in infrastructure and day-to-day spending to keep people well and – where possible – working.

There is a tendency in announcements, too, to conflate means-tested incapacity benefits with non-means-tested disability benefits, such as the personal independence payment. In reality, the latter is used by many people to support their engagement with full-time paid work and other forms of health-promoting activity through adaptations and activities that manage their conditions. Without these, even part-time employment might be impossible.

But even with regard to means-tested benefits, studies have found that sanctions on benefits, which the government has promoted as a means of getting more people into the workforce, do not actually increase employment levels.

There is, on the other hand, very good reason to suggest that imposing strict eligibility criteria and sanctions can be very harmful to disabled people's health, activity and financial situation. What is really driving these reforms, as ever, is ideology and electoral concerns.

Changing attitudes

But people receiving such benefits are no longer an out-group that the public wishes to punish. We have been through a pandemic during which people who had believed their jobs and income to be secure were suddenly left either on government-funded furlough or universal credit.

Senior managers were exposed to Britain's Byzantine welfare system, and people who had never taken a day off found their employers unwilling or unable to repay that loyalty.

The effect of this is that the old "strivers versus scroungers" argument simply doesn't appeal as it once did. In the latest British Social Attitudes Survey, just 19% agreed that "most people who get social security don't really deserve any help" – less than half the figure of 40% in 2005.

So what can we do to address the rapid increase in disability and mental ill-health? First, we must acknowledge that the pandemic has had lasting physical and mental health consequences for many, whether directly as a result of COVID infection or indirectly due to behavioural and socioeconomic effects.

We must create a system that enables people to build a productive life in their best health, wellbeing and economic interests. Just as the social economist Lord Beveridge proposed in his 1942 report, we need cradle-to-grave social security that supports that ambition, rather than forced participation in harmful insecure employment.

The cost of illness and disability from such employment is felt in our overburdened NHS and the ever-growing number of people unable to re-enter the workforce once conditions develop.

Investing in people is good

It is not tenable for the government to argue for stricter criteria and more assessment. Rather, there is good evidence for implementing less conditional systems of welfare, which have no work disincentives, for economic, health, and wellbeing reasons.

Something like basic income (a system of regular, fixed payments made to everyone in society) can provide the economic and financial stability to allow

people to find sustainable employment. There is also strong evidence to invest in reactive healthcare to ensure that people with long-term conditions receive the treatment they need to be as active as possible.

The prime minister suggested that some people with mental health conditions might be better supported through talking therapies or respite care than cash transfers. That might be the case had government funding for these services not failed to keep up with demand.

There is ample evidence that investment in securing the social determinants of health, such as income, housing, education and the environment, is highly popular with voters – and affordable, too.

Funding this sort of system is not wasteful. Based on strong underpinning research, our analysis assumes indirect returns on investment of 2.74 times government spending on infrastructure, and 0.91 on day-to-day spending. There is both an economic and social reason to invest in people and the country.

Common sense tells us that Britain is not a sicknote nation, but a sick one. We need to act now to create a better system – because the current one is benefiting very few of us.

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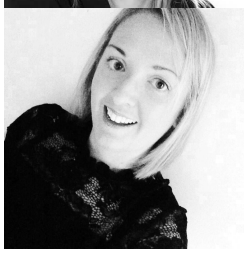

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