



# In time of need - Scotland

Building income security for all

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## Acknowledgements

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This paper is the Scottish element of a much larger UK report [In Time of Need](#) published at the end of March this year.

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## INTRODUCTION

This project was a product of the pandemic and subsequently the cost-of-living crisis. It was inspired by the necessity and success of the emergency income replacement policies introduced to support people unable to work during Covid-19. The Fabian Society wanted to ask whether the experience of designing and rolling out reforms such as the furlough scheme could open up the possibility of a different way of protecting incomes in the UK. Now as the costs of living soar it is more than an academic exercise but a call to action.

*“It’s interesting, isn’t it, how companies were able to furlough on full pay so quickly? The government was able to make all that happen. And people have to actually, it feels like, beg, borrow and steal to get a benefit that they should be entitled to.” Jen*

The research included desk research, data analysis and expert interviews to explore the UK, Scottish and international policy landscape. In Scotland we conducted two focus groups of people who had recently left work. In November 2022 we held an expert roundtable examining options for the Scottish government. We also commissioned a nationally and politically representative poll of Scottish adults from YouGov. In the poll we asked people about their recent or current experiences of being out of work, their expectations of being out of work in the future and their views on policy proposals developed during the project.

Our research shows that the UK system does not provide adequate levels of income security when people need to stop working, nor the support needed to transition back into the workforce. The benefit system is so threadbare that most workers can expect their incomes to collapse if they leave the workplace for sickness, caring or unemployment.

The survey showed:

### **Among Scottish workers:**

- **31% of Scottish workers report if they lost their jobs, they could only maintain their current standard of living from savings for 4 weeks or less**
- **54% expect to often struggle to make ends meet if they lose their job and 30% expect often to have to go without food and heating.**
- **80% who gave an answer said job seeker’s allowance would replace three-tenths or less of their earnings if they lost their job and claimed the benefit**

**Among Scots who had stopped working at some stage in the last two years, while out of work 36% had used up their savings and 29% had reduced how much they spent on food.**

The [UK report](#) calls for a UK-wide solution to protect the incomes of people should they need to take a break from work designed to replace the inadequate patchwork of benefits and statutory pay schemes that exist today.

The proposal is called British Employment Insurance, and it is based on people receiving at least 50 per cent of their former earnings if they have to stop work due to unemployment, sickness, parenting or caring for a relative.

In this paper we ask whether Scotland should take initial steps towards employment insurance on its own? This conversation is possible because social security has been partially devolved to Scotland since 2016.

These powers were first exercised in the Social Security (Scotland) Act 2018 which was heralded as an “historic opportunity” for Scotland. Early on, the powers have been used to target extra money to recipients of UK benefits in most need - families with young children on Universal Credit and carers. This approach is limited by the UK system dominated by means tested universal credit and the financial constraints of a devolved administration.<sup>1</sup>

This report calls on Holyrood to seize the opportunity of the devolved powers to lead the way in the UK. We want to see a system which starts to adequately protect the incomes of people who have to stop work in Scotland. Our proposals show we could start to rebuild social security in Scotland around principles of contribution, adequacy, and connection to work.

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<sup>1</sup> [Scotland faces £1bn spending gap next year, warns deputy first minister Shona Robison | STV News](#)

## SOCIAL SECURITY IN SCOTLAND

*“A great opportunity to forge a social security system that is infused with dignity, fairness and respect.” Shirley Anne Sommerville, Cabinet Secretary for Social Security 2018*

Following the proposals of the Smith Commission, the Scotland Act 2016 allowed for major aspects of the social security system to be devolved. It established substantial powers for Holyrood to create new benefits in specified areas and to top up any reserved benefits. The Social Security (Scotland) Act 2018 then created the framework for Scotland to put this into practice.

Scottish policy making is constrained by the UK universal credit system with its low payment levels and emphasis on conditionality and sanctions. But over the last five years Scottish ministers have only made a modest start to social security reform, even where they have the power. Since the 2018 Act Holyrood has introduced only two significant new measures – for carers and children in low-income households.

The Scottish Government still also allows the UK Government to administrate large swathes of the benefits it is supposed to run, despite establishing a new agency Social Security Scotland to deliver devolved benefits. It is not expected to take over delivery of all the benefits covered by the 2018 Act until at least 2026.<sup>2</sup> As a result tens of thousands of Scots receive Scottish benefits from the DWP with Social Security Scotland paying the DWP £76.5 million in 2021/22 to deliver Scottish payments.<sup>3</sup>

The budget for developing the new agency has also soared, with the latest forecast putting the IT cost at nearly £280m.<sup>4</sup> Throughout this period the Scottish Government has emphasised the need for 'safe and secure transfer' from the UK Department for Work and Pensions and establishing a system that treats people receiving benefits with 'dignity and respect'. But it has been questioned whether the time and cost of creating Social Security Scotland was the right approach and whether it would have been more cost effective to

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<sup>2</sup> [New delay means UK Government will keep delivering social security in Scotland until at least 2026 | The Scotsman](#)

<sup>3</sup> Social Security Scotland Annual Accounts 2021-2022

<sup>4</sup> [Social Security Scotland Programme Business Case - February 2023 \(www.gov.scot\)](#) Table 5.5

keep delivery with the DWP and focus solely on targeting money where it was most needed.

The first Scottish benefit to be introduced was the Carer's Allowance supplement in 2018. UK Carer's Allowance pays the least of all working age benefits and the supplement (£270.50 paid twice a year) was introduced to top it up to the level of Job Seeker's Allowance. This was intended to be a stepping-stone to a Scottish carer's benefit, however the Scottish version of Carer's Allowance will now not be delivered until 2024 at the earliest, with DWP delivery of the UK benefit agreed until the end of 2025.<sup>5</sup> Thousands of Scots are left in a half-way house, receiving an inadequate UK benefit and half-yearly Scottish top-ups.

More positively, Scotland's flagship social security policy is the Scottish Child Payment. This was announced in the summer of 2019 as a supplement to means-tested universal credit, with the first payments being made in February 2021.<sup>6</sup> Since then, the payment has risen in value from £10 per week per child to £25 per week per child and has been extended from under-6s to under-17s in November 2022<sup>7</sup>.

The child payment has cross party support and is widely recognised as an important poverty reduction measure. The payment is not subject to sanctions or a two-child limit and is a very immediate way of getting more money into the pockets of families who need it most. Third sector organisations focused on cutting child poverty have called for an increased child payment of £40 per week. A coalition of 68 third sector organisations has also called for targeted top-ups for lone parents and parents aged under 25.

The Scottish government has also initiated debate on a more fundamental long-term redesign of social security. It has asked for advice on how to create a Minimum Income Guarantee for all households. But until now there has been no similar discussion about how Scotland's social security powers could be used to protect people's incomes if they have to stop work. That is the purpose of this project.

Devolution of social security powers is an opportunity for all Scottish politicians committed to social justice and financial fairness. It could also be an example to other parts of the UK, providing Scottish parties the chance to

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<sup>5</sup> [Carer Support Payment to be piloted by the end of this year - gov.scot \(www.gov.scot\)](https://www.gov.scot/news/2022/07/2022-07-20-carer-support-payment-to-be-piloted-by-the-end-of-this-year/)

<sup>6</sup> [Scottish Child Payment - Social security - gov.scot \(www.gov.scot\)](https://www.gov.scot/news/2022/07/2022-07-20-scottish-child-payment-social-security/)

<sup>7</sup> [Scottish Child Payment: high level statistics to 31 March 2023](https://www.gov.scot/news/2022/11/2022-11-20-scottish-child-payment-high-level-statistics-to-31-march-2023/)

lead the way and show that a different approach to income protection is possible across all four nations. There is certainly scope within the devolved powers to be more radical and a frustration that people who leave work in Scotland cannot wait.



## The need for income protection

Income protections policies provide financial security when people leave a job or stop working temporarily. They are non-means tested social security benefits and statutory pay schemes that cover circumstances such as unemployment, sickness, caring for babies and caring for disabled or older people. At some point in our lives the vast majority of people will experience one of these circumstances.

In the second half of 2022, we conducted research in Scotland with people who had recently left work – focus groups in late summer and a survey in late Autumn. Many of those we spoke to had experienced a system that was inflexible to individual circumstances and provided very limited support at a time when they needed it most. They were shocked to find an inadequate patchwork of benefits that fall far short of people’s usual earnings and outgoings.

*“obviously people have a car that they can afford when they’re in a specific job and have a mortgage that they can afford when they’re in a specific job. So going from whatever your wage is to then, all of a sudden, you get £77 a week, that’s obviously really scary” Rachel*

They were also dismayed by the inconsistencies in the system. For example, in 2022/23 job seeker’s allowance was paid at a rate of £77 per week, maternity allowance at £156.66 but carer’s allowance only £69.70 (plus in Scotland the new half-yearly top-up payments).

*“I mean, this might be a stupid question, but why is there a difference? If you’re on maternity leave, it’s £157, but if you’re out of a job, it’s £77? It’s still the same price for bread, milk, whatever.” Margaret*

In 2022/23 jobseeker’s allowance replaced just 12 per cent of UK average earnings and statutory sick pay just 16 per cent. With the exception of maternity payments, the value of support has declined significantly as a percentage of earnings since 1990. This is why when we have looked at immediate uplift options in Scotland, we have used maternity pay as the floor no one leaving work should need to fall below.

It is worth noting that our focus groups took place at the start of the cost of living crisis and prior to the effects of Liz Truss’s disastrous budget being felt in the economy and on people’s pockets. Nevertheless, the focus group conversations were stark and all participants felt their financial positions were precarious:

*“And these are all extras. Like when you think about the basics and how the prices have just gone up recently. Like, me, I filled my car up with petrol. £70 just to fill it - and normally I filled it for £40. Then there’s all the bills, for the gas and electricity. There’s things that you worry about when you aren’t in work. That’s just basics”* **Fiona**

All of our respondents in the focus groups reported being acutely aware of rising costs and a number spoke of cutting back on family trips or making less trips in the car. One said he would have to sell his car in the near future.

*“If you’re getting paid each month, you’re paying your bills, everything’s the same. You do feel you’re comfortable, if you’re on decent money, it’s all right. You can plan your money, maybe go to Deep Sea World or all these adventurous places. But now you’ve always got to budget”* **Jack**

Many spoke of taking time off work for specific reasons, such as caring for an elderly relative, a long-term illness or caring for children. They worried about dwindling savings and spoke of the inadequacy of the benefits available. Those who had experienced the help available at job centres found it demotivating and process driven.

*“I don’t want to sound snobbish because I’ve not had brilliant jobs, or anything like that, but all right jobs, and they just don’t get ... They’ll say, “Right, go to Tesco and get ... ” They’re not listening to what I’m saying. I’m volunteering in the third sector and that’s where I want to end up, and they don’t even know what that is”* **Mark**

One participant was experiencing prolonged sickness absence from her employer. Her occupational sick pay had expired and she was receiving only statutory sick pay (worth around £100 per week in 2022/23). She was worried about the future and felt her employer was pressurising her to return rather than supporting her through her illness.

We also asked survey questions about the experiences of Scots who had recent experience of stopping work. 25 per cent said they either could not or could only just afford essential costs. These figures are fairly low compared to what we would expect to see below, because the respondents include people who received good protection under the furlough scheme.

Thinking about when you were not working within the last two years, which of the following best reflected the financial position of you and your household at that time?	Percentage
I could not afford essential costs, and often had to go without things like food and heating	10
I could only just afford essential costs and often struggled to make ends meet	15
I could normally cover the essentials, but I did not have money left for other things that weren't essential	32
I was relatively comfortable financially and had money for some things that weren't essential	36
I was very comfortable financially and had money for many things that weren't essential	1
Don't know	6

Asked to adults who have taken more than two weeks away from their job at some point over the last two years, whilst still remaining in that job, OR have spent four weeks or more without a job in the last two years; n=229

36 per cent of respondents who had experienced a spell out of work said that during that time they had used up their savings. 29 per cent said they had reduced how much they spent on food.

And during any period in which you were not working over the last two years, which of the following actions, if any, did you take for financial reasons? Please tick all that apply. Actions taken by 10 per cent or more of respondents	Percentage
Used up your savings	36
Reduced how much you spent on eating out, leisure or alcohol	36
Cancelled subscriptions	31
Reduced how much you spent on food	29
Applied for universal credit	18
Stopped taking holidays	17
Reduced how much you spent on energy	17
Sold personal possessions	17
Borrowed money using loans, credit cards or a bank overdraft	15
Asked for money from family or friends	15
Stopped using a car	10

Asked to adults who have taken more than two week away from their job at some point over the last two years, whilst still remaining in that job, OR have spent four weeks or more without a job in the last two years OR who are currently unemployed but have done some paid work in the last 12 months; n=232

The lived experience of the Scots in our focus groups and survey is backed up by international evidence, with the UK comparing very badly on income replacement compared to other rich nations. The UK is second worst in the OECD for unemployment and sickness payments, and third worst for maternity pay.

When it comes to time off to care for a loved one, the UK also lags well behind. Westminster is currently introducing a right to one week of unpaid leave for carers. But paid carer's leave is the norm in many European

countries. In Norway for example, employees receive full pay, the duration of which depends on individual circumstances, when they need to take time off to care.

In Scotland there are around 1.1 million unpaid carers, of which around 82,000 claim carer's allowance<sup>8</sup> Women outnumber men 2 to 1 as claimants<sup>9</sup> and therefore inadequate income security for carers has a disproportionate impact on women's lives, helping to drive inequalities. In our proposals we call for employers to provide paid carer's leave on a voluntary basis and to increase carer's allowance to the same level as maternity pay.

Our conversations with Scots out of work show the impact of inadequate income security. A life event such as having to care for an elderly relative can result in real financial hardship and anxiety, and cause people to drop out of the workplace altogether.

This negatively impacts the economy as employers fail to retain and recruit the skilled people they need. In Scotland this is key. Growth in wages and employment are slower than the UK average. There are also huge regional inequalities in productivity, workforce engagement and wages within Scotland.<sup>10</sup>

There are good reasons for implementing new Scottish income replacement policies. We need measures to protect workers and keep them connected to work, so we can grow our economy and protect against economic shocks and transitions in the years ahead.

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<sup>8</sup> [Covid-19 pandemic: 392,000 become unpaid carers in Scotland in a matter of weeks | Carers UK](#)

<sup>9</sup> [Social Security Scotland, Summary statistics for Carer's Allowance, Disability Living Allowance, Attendance Allowance and Severe Disablement Allowance at May 2020](#)

<sup>10</sup> John Tsoukalas, Scotland's Productivity Challenge: Exploring the issues, The Productivity Institute, University of Glasgow

## Scotland: a stepping stone to UK income security?

The Fabian Society's In Time of Need report makes the case for a complete overhaul of income replacement benefits. Instead of fragmented reform on many fronts the society proposes a comprehensive new system of British employment insurance.

Under this plan employment insurance would consist of a combination of paid leave from employers and state insurance benefits. The proposal would return the UK to routinely providing income protection on the basis of people's earnings (as was the case from the mid-1960s to the early-1980s). It is loosely modelled on Canadian employment insurance.

People who stop working would typically be paid half their current or recent earnings (with a cap on the amount payable to high earners – i.e. those paid £60,000 or more). Fifty per cent of earnings is a low replacement rate compared to many other countries but it would be a huge step forward for the UK – and for low-income households it would be available alongside universal credit. These proposals cover people who do not qualify for the mean tested benefit universal credit but they are also designed to interact with universal credit to ensure that those on low incomes get their income topped up to the level of maternity allowance.

In the case of sickness, the proposals go further and recommend paying 80 per cent of earnings because existing employer practice is generally much better than the legal minimum.

The UK report calls for eligibility for employment insurance entitlements to be drawn broadly, ending almost all the exclusions that restrict access to paid leave schemes and national insurance benefits today. In particular, self-employed workers would be major beneficiaries of the proposal since they have very little protection now.

This represents a move to a social insurance system which rewards contribution and supports people as they move between periods of work; away from the punitive and stigmatising system created by relying almost exclusively on means-tested universal credit. The new system would offer a major boost to British business by helping firms retain and recruit good workers and by giving workers and consumers more financial security and resilience.

The full proposals can be found in Appendix 1.

Scotland has the opportunity lead the way by developing elements of the plan for employment insurance. Our proposals for Scotland demonstrate how the devolved powers of Holyrood could be used now to start to protect workers incomes and build income security.

These proposals would represent a significant step forward in providing income security in Scotland. They are designed to keep people connected with the world of work, allowing them to bounce back from periods of not working into high quality roles. They are guided by the principle of income adequacy, using the devolved powers to create a floor no one should go below when they first leave a job.

The proposals for Scotland here could all be delivered under the powers currently available to Holyrood. For this reason they exclude changes to statutory leave schemes, which form a major plank of the UK-wide plan.

Where we have been able to model costs, the spending requirement is noted. This would be expenditure by the Scottish government. We also note resulting savings from lower universal credit spending (accruing to the UK government) and higher tax receipts (shared between the UK and Scottish government)

## **1. SKILLS AND JOBSEEKING**

### **1.1 JOB SEEKER'S ALLOWANCE SUPPLEMENT**

A job seeker's supplement could be created to raise the value of JSA to match maternity allowance, following the principle of the Carer's Allowance supplement. This would be a significant increase in support for people in the first six months of unemployment with a recent connection to work.

Microsimulation modelling for the Fabian Society estimates that this would increase the numbers claiming JSA in Scotland from around 2,000 to 9,000 people at any time. This increase is assumed to arise because take-up rises due to the more generous payment, and because some people receiving universal credit are able to top-up their income with JSA. The modelled cost of the programme is £64m per year for the Scottish government, with savings of £8m in increased taxation and £15m in reduced universal credit.

### **1.2 CREATE AN EMPLOYMENT TRANSITION PAYMENT**

An alternative policy proposed during discussions with stakeholders would be to introduce a more targeted entitlement linked to industrial transition. Key industries and/or regions could be identified where transitions to new

skilled work is desirable. Eligible workers seeking to transition from one industry to another - for example oil and gas to green jobs - would be able to claim a payment at the level of maternity allowance for up to six months, combined with training and employability support.

We have not calculated a cost for this Employment Transition Payment as this would depend on decisions about the policy's coverage. It would be possible to design the scheme with an upper limit on the annual number of participants to ensure it remained within a fixed budget.

### 1.3 EXTEND JOB START PAYMENT

Job Start Payment, launched in August 2020, is a benefit that helps young people in Scotland who are receiving certain benefits, with the costs of starting a new job. It is open to young people aged 16 to 24 who reside in Scotland (extended to 25 if the young person is a care leaver). The payment is a cash sum of either £267.65 for those who do not have responsibility for a child or a higher amount of £428.25 for those who do.

In the financial year from April 2022 to March 2023 payments totalled £222,809 against a budgeted spend of 1 million each year.<sup>11</sup> This creates an opportunity to expand the scheme using existing underspend.

This payment could be extended to anyone with a firm job offer who has been on a job seeking benefit for more than six months, is a parent in receipt of the means-tested Scottish child payment or is receiving a benefit because they are disabled or a carer. The rationale for this proposal is the need to have income to cover job start and ongoing work-related expenses before first receiving wages.

### 1.4 PILOT A TRAINING BURSARY FOR THOSE ON JOB SEEKERS ALLOWANCE OR WHO ARE SELF EMPLOYED

People receiving benefits because they are seeking work have traditionally been unable to participate in substantial full-time training. UK policy has started to improve in recent times, with jobseekers now able to take part in approved training for up to 16 weeks. But there is no offer for self-employed workers on training.

The Scottish government could consider offering free training on approved courses and a living costs bursary to people who are eligible for job seekers allowance, employment and support allowance or who are low-earning self-employed. People who participated in approved courses could receive six

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<sup>11</sup> [Job Start Payment: high level statistics to 31 March 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2023/03/Job-Start-Payment-high-level-statistics-to-31-March-2023-20230323134224.pdf)

months training allowance at the same level as maternity allowance. Places could be capped initially to limit costs for the purposes of evaluation.

### 1.5 CREATE A WORK-SEARCH ALLOWANCE FOR THE FORMER SELF-EMPLOYED

The self-employed are not eligible for UK job seeker's allowance. Many whose jobs come to an end cannot claim universal credit because they have modest savings or a partner in work.

Scotland should consider introducing a work-search benefit for people who have been self-employed, either permanently or as a pilot. Our modelling suggests that at current JSA payment levels the annual number of recipients would be under 1,000 and the policy would cost the Scottish government £3m per year. It could be introduced initially as a pilot to evaluate impact, take-up and costs. Eligibility could be determined by self-employed national insurance contribution records and/or universal credit earnings declarations.

### 1.6 START NEGOTIATING FOR THE DEVOLUTION OF JOB CENTRES PLUS

This would allow a local and tailored approach to be piloted with access to employability training, some health services and money advice all in the one place. Sanctions should be rare and operate as in Northern Ireland. For example, where a sanction is required it would be reported to DWP for investigation. The intention is this should be a revenue neutral measure, with the Scottish government spending the same as current DWP budgets.

## 2. HEALTH AND WELLBEING

### 2.1 EMPLOYMENT SUPPORT SUPPLEMENT

An employment support supplement could be created to last up to twelve months. This would increase support for people in the first 12 months on incapacity benefits with a recent connection to work. The version of the policy we have modelled would boost payments to match Statutory Sick Pay when people first make a claim or are assessed as able to prepare for work. It would match maternity allowance for people if they are assessed as being unable to prepare for work.

Microsimulation modelling for the Fabian Society suggest this could cost £19m per year for the Scottish government, with savings of £2m taxation and £5 million in reduced universal credit. The policy would benefit at any time



around 11,000 existing beneficiaries and a modelled estimate of 2,000 additional recipients.

## 2.2 FREE OCCUPATION HEALTH SERVICES

The Scottish government should extend Working Health Services Scotland to people who have recently left work and are receiving benefits. WHSS is currently available to people who are self-employed or employees of SMEs.

The programme should be extended to people on out of work benefits with a recent connection to work – i.e. people receiving JSA, ESA (first 12 months), and universal credit who can show recent employment history. Take-up of the scheme should be promoted at the same time as it is currently little known.

Previous UK government research has suggested that well designed occupational health services can pay for itself through higher employment and tax revenues, and lower benefit payments.<sup>12</sup>

## 3. CARING

### 3.1 PROMOTE PAID CARER'S LEAVE AS A VOLUNTARY COMMITMENT

Employers should be encouraged to sign up to offer one week of paid carer's leave each year. Public sector organisation in Scotland could lead the way on this.

Going further, the Scottish government could refund SMEs for the costs of providing up to a week of paid carer's leave per year to each eligible working carer.

Large employers should also be encouraged to adopt best practice of allowing up to three weeks of unpaid leave to be taken as required and/or the option of a carer's unpaid career break of up to 12 months.

### 3.2 CARER'S ALLOWANCE AFTER 2025

After Scottish Carer's allowance is introduced, the Scottish government should pay a special supplement to match maternity allowance, payable to people during the first 12 months of caring when they have a recent connection to work. Eligibility should be established using the same rules as maternity allowance.

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<sup>12</sup> [DWP, Fitness for Work: the Government Response to Health at Work: an Independent Review of Sickness Absence, January 2013](#)

Among other benefits this policy would enable carers to take the unpaid career breaks we want employers to offer members of their workforce.

Our modelling suggests this policy would benefit around 12,000 recipients in Scotland. It is estimated to cost the Scottish government £62m per year, with £3 m tax saving and £19 million reduction in universal credit.

## WHAT SCOTLAND THINKS

A Fabian Society YouGov poll of Scottish adults suggests these would be a popular set of reforms.<sup>13</sup> This is true even when we made it clear in our questions that taxes would have to rise.

79% of respondents (excluding people who said don't know) supported the main UK-wide proposal of a new "employment insurance" programme that would pay people who stop working up to half their previous earnings

Individual policies that Scotland could move towards on its own also secured support. Importantly for Scottish politicians these policies were popular across the constitutional divide, commanding support across people of different political affiliation, age and social class.

The most popular reforms we asked about are as follow (numbers exclude people who said 'don't know):

- 87 per cent** One week of paid carer's leave per year
- 87 per cent** Carers who stop work receiving half their previous earnings for 12 months
- 62 per cent** People who lose their job receiving half their previous earnings for six months
- 48 per cent** People who stop work to retrain receiving half their previous earnings

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<sup>13</sup> Total sample size was 1,061 adults. Fieldwork was undertaken between 6th - 9th December 2022. The survey was carried out online. The figures have been weighted and are representative of all adults in Scotland (aged 18+).

## CONCLUSION

Scotland has an opportunity to lead the way in the UK towards building a social security system which provides income security for all.

The payments proposed in this paper will not only provide a cushion when people's incomes fall but the security to get them back into the workplace as soon as possible. They reward earning and contribution and provide protection through times of economic transition.

At the moment UK income protection is patchy and inadequate. Our research found that workers expected their incomes to plummet if they lost their job. A third of workers said that they would be able to maintain their standard of living for four weeks or less if they only had their savings to live from.

This is why we have looked at immediate uplift options in Scotland to ensure income adequacy is front and foremost. Our proposals would start to restore the philosophical and practical link between earnings and social security – that you pay in when you are making money, and you are protected when you cannot. We do not need to wait until a change of UK government. Scotland can start to use devolved powers to rebuild our social security system around principles of contribution, adequacy, and connection to work now

We think these are big ideas that can capture the public's imagination. Our polling shows these reforms to be potentially popular - and importantly for politicians in Scotland they cut across the constitutional divide.

It is time for politicians to seize on this to offer the protection and security that workers in Scotland need.

## Appendix: UK proposals

<b>Paid leave</b>	<b>For workers with an employer</b>
Maternity and adoption leave	Now: low flat-rate, 9 months Proposed: earnings-related, 6 months (followed by parental leave)
Parental leave	Now: maternity pay can be shared Proposed: flat-rate, 6 months (shared or allowance for each parent)
Paternity leave	Now: low flat-rate, 2 weeks Proposed: earnings-related, 2 weeks
Sick pay	Now: very low flat-rate, day 4 to week 28 Proposed: earnings-related, day 1 to week 28
Carer's leave	Now: none Proposed: earnings-related, 1 week
Paid furlough	Now: almost none Proposed: earnings-related, 6 months

<b>Insurance benefits</b>	<b>For people without a job or who are self-employed</b>
Unemployment insurance	Now: very low flat-rate, 6 months (jobseeker's allowance)  Proposed: earnings-related, 6 months
Sickness insurance	Now: very low flat-rate, 12 months (the initial period of employment and support allowance)  Proposed: earnings-related, 12 months
Maternity and adoption insurance	Now: low flat-rate, 9 months (maternity allowance)  Proposed: earnings-related, 6 months (followed by parental leave)
Parental leave insurance	Now: none  Proposed: earnings-related, 6 months (shared or allowance for each parent)
Carer's insurance	Now: very low flat-rate, 12 months (the initial period of carer's allowance)  Proposed: earnings-related, 12 months
Retraining insurance for the self-employed	Now: none  Proposed: earnings-related, up to 8 months over 5 years
Free occupational health services	Now: none  Proposed: available to SMEs, self-employed and people not in work