

## Welfare

*The UK welfare system is based on need not nationality. It means we can support people equally right across the UK. Pooling and sharing our resources across the UK makes higher benefit spending in Scotland more affordable. Without a serious plan for welfare or details of how it would be funded, the nationalists' uncosted welfare promises are simply not credible.*

The creation of the welfare state is one of our nations' greatest achievements. Through working together we have established a system which puts solidarity into action to support those in our society in the greatest need. It means that if you are out of work in Glasgow your benefits are paid by the taxes of someone working in Glamorgan. Similarly, when you retire in Lanark your pension is paid by the taxes of a young person in Liverpool starting out in working life.

There is broad public support for benefits and pensions to be paid at the same level throughout the UK, with revenues from the taxes we all pay and North Sea Oil pooled to fund payments equally across the UK as a whole. As part of the UK we are backed by the broader shoulders of the larger UK economy meaning we can better afford social security spending for the long term.

## The 5 things you need to know

- **NEED NOT NATIONALITY** – The UK welfare system is based on need not nationality. It means that right across the UK irrespective of where you live everybody gets access to the same level of support.
- **POOLING & SHARING** – By pooling our resources across the UK we can share the burden of funding and administering benefits across the broader shoulders of 60 million people across the UK rather than 5 million here in Scotland.
- **MORE AFFORDABLE** – As part of the UK, benefit spending in Scotland is around 2% higher per head of population than for the rest of Great Britain. This equates to millions of pounds per year extra spent on benefits in Scotland relative to the rest of Great Britain. Experts have pointed out that because of Scotland's more acute demographics and declining North Sea revenues, an independent Scotland would therefore face more difficult decisions than as part of the UK. As part of the UK, that additional spending is more affordable as it is spread among 60 million people across the UK rather than 5 million in Scotland.
- **UNCOSTED PROMISES** – The Scottish Government cannot say with any certainty that current levels of support will be maintained or increased under independence. The nationalists promise Scandinavian levels of welfare spending – without admitting or committing to the taxation required to sustain this spending. The nationalists need to be honest about how much a more generous welfare system would cost and how it would be paid for. That's not to mention the cost of replicating the existing UK infrastructure to administer benefits in future.

- **NO SERIOUS PLAN** – The nationalists have not set out a serious, detailed plan for welfare in their White Paper. Despite all their criticism of the UK welfare system, the nationalists plan to negotiate a deal with the UK for it to continue to administer benefits. However, the legal position is clear: a vote to leave the UK is a vote to leave its institutions – that includes the UK Department for Work and Pensions. If an agreement could be struck, a number of experts have said that separate Scotland would have limited control over welfare policies it could implement – it would be restrained by the UK system it would share. If Scotland leaves the UK it leaves the UK pound – this would also create huge problems for the payment of pensions and benefits in a separate Scotland which the White Paper failed to address.

## What the experts say

### Benefits of the current system:

- **In a leaked secret cabinet paper, SNP Finance Secretary John Swinney:** *“At present HM Treasury and DWP absorb the risk of growth in demand in the widest sense and therefore all associated costs. In future we will assume responsibility for managing such pressure. This will imply more volatility in overall spending than at present.”*
- **The Institute for Public Policy Research:** *“What the white paper fails to mention is that Scotland stands a much better chance of meeting the future costs of welfare if it remains part of the UK social union. By coming together the nations of the UK are able to pool financial resources and share risks across a large and resilient political community. Independence, however, would permanently break the UK’s social union weakening the ability of Scotland to cope with the fiscal and demographic pressures welfare states the world over face.”*

### Shared services:

- **The SNP’s own Expert Working Group on Welfare:** *“A downside of continuing to share services might be that an independent Scottish Government finds itself unable to implement some of its early priorities for change to the benefit system. Immediately separating these services would present serious risks to the continuity of payments [of pensions and benefits] to people in both Scotland and England.”*

### Spending:

- **The Institute for Fiscal Studies:** *“Spending on benefits would rise more quickly in the coming years in Scotland than in Great Britain as a whole. This means that funding the benefits system in the decades ahead may prove somewhat more burdensome for an independent Scotland.”*