
Sustainability and Social Value Working Group

Meeting summaries

June 2025

Disclaimer

These notes were originally circulated in September 2024 to provide an overview of the ongoing British Academy Policy Programme on Economic Strategy. They are intended to serve as a summary of discussions and reflections within the Working Group up to this point, but do not represent any final conclusions or analyses. The notes do not reflect any formal policy positions of the Academy nor individual members of the Working Group. Individual assertions or evidence claims have not been peer reviewed, but have been made in the context of Working Group discussions with the aim of contributing to the research and policy debate and discussion..

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Overview of the Sustainability and Social Value Working Group

This Working Group focused on sustainability and social value. It considered a range of specific sub-questions, including:

- What might a new framework for UK economic strategy look like that includes a greater emphasis on sustainability, societal value, social innovation and inclusive growth?
- Which social policies can improve economic participation and support the UK government's wider economic objectives? How can government embed a long-term, systems-level approach into economic policymaking which recognises the interconnectedness of social issues like health and wellbeing with economic performance?
- How can the transition to a decarbonised economy complement policy agendas aimed at reducing regional inequality and enhancing the UK's future economic security? What will be the implications of the green transition for the revaluing of markets in the UK's critical sectors and how should government respond?
- How can policymakers engage meaningfully with the public around the opportunities and costs of the green transition and what might this look like in practice? What roles should the public sector, private sector and civil society play?

The group met eight times (including an initial scoping meeting and final wash-up session), with the group using the concept of the 'socially-embedded economy' as a basis for exploring the interconnections between economic, social and environmental policy and how a systems-based approach to policymaking can enable a more holistic understanding of how these different policy agendas join up.

Sessions discussed the benefits of integrating social value and natural capital into economic policymaking and the importance of social protections for wellbeing and productivity, and how these will need to be adapted to support people through the coming structural economic transformations. Later meetings explored the changing nature of work and what might be required to shift towards a 'good work economy', and how investment in people's health, education and wellbeing can help to build resilience to security threats at individual, community and national levels.

Members and meetings

The Working Group was co-chaired by Professor Dame Henrietta L. Moore FBA and Professor Dominic Abrams FBA. The Working Group members included:

Member	Role
Professor Dame Henrietta L Moore FBA (co-chair)	Chair in Culture, Philosophy and Design at UCL, Director of Institute for Global Prosperity
Professor Dominic Abrams FBA (co-chair)	Professor of Social Psychology and Director of the Centre for the Study of Group Processes, University of Kent
Professor Charlotte Croffie	Pro Vice-Chancellor for Equity, Diversity and Inclusion, Loughborough University, Professor of Entrepreneurship in the Institute of Innovation and Entrepreneurship
Professor Muthu De Silva	Professor of Innovation and Entrepreneurship, Birkbeck, University of London
Professor Cameron Hepburn	Professor of Environmental Economics at Smith School of Enterprise and the Environment, University of Oxford
Professor Aled Jones	Director of Global Sustainability Institute, Anglia Ruskin University
Professor Jane Millar FBA	Professor of Social Policy, University of Bath
Professor Ann Phoenix FBA	Professor of Education, Institute of Education, UCL
Professor Kate Pickett	Professor of Epidemiology at University of York, co-founder of the Equality Trust
Professor Sean Smith	Director, Centre for Future Infrastructure, Edinburgh Futures Institute and Chair of Future Construction in the School of Engineering, University of Edinburgh
Professor Dennis J Snower	Founder and President of the Global Solutions Initiative and Professor of Macroeconomics and Sustainability at the Hertie School.
Professor Neil Stott	Management Practice Professor of Social Innovation, Cambridge Judge Business School; Co-Director of Cambridge Centre for Social Innovation
Professor Matthew Agarwala	Bennett Chair in Sustainable Finance at the Bennett Institute for Innovation and Policy Acceleration, at the University of Sussex Business School

1.0 Meeting 1 summary note (Tues 16 Jan): Scoping session

On Tuesday 16 January 2024 the British Academy convened the first meeting of the Sustainability and Social Value Working Group. Members engaged in a wide-ranging discussion and offered valuable reflections on the key themes that the group could explore in the work going forward.

1.1 The socially embedded economy

It was suggested that a starting point for this work could be on the concept of the ‘socially embedded economy’. Given that the relationship between economic and social policy is often missed due to policy silos in government, it was thought that a discussion on how our economy and economic relations are embedded in social relations would be a useful place to start for the group and particularly for officials if they would be attending the next meeting.

Participants noted that there are many things that people value above money in their lives, such as family and relationships, which themselves may have zero monetary value but which are critical for the functioning of society and, therefore, the economy. While the Treasury currently uses the Green Book to guide investment decisions, it was posed whether a Civic Society/Social Value Book should be developed to be used in conjunction with the Green Book and whether the group might be able to come up with alternative measurables that could help to inform government economic decision-making while steering clear of simply rehashing previous ‘beyond GDP’ debates.

A number of potential measurables were suggested including societal cohesion (including ideas around ‘solidarity’ and cooperation within and between different communities), agency and social/political empowerment (which it was thought has been missing from UK economic policymaking and has contributed to recent political instability), and environmental sustainability (for example relating to climate change and biodiversity loss). Another thought that this could be conceptualised as recommending, alongside GDP, the managing of the UK’s capitals, including its physical, natural, social and cultural capitals, as a measure of progress.

While some were wary of putting a monetary value on everything, others thought that providing something along the lines of alternative measurables to GDP could prevent the work from becoming too abstract and help to mobilise the information in a way that could be useful to government. It was noted there have been pilot schemes along these lines across the UK and that it could be worth going back to government to think about which may have worked well, why, and whether these could be replicated or scaled up.

1.2 Inequalities, inclusion and intergenerational justice

A number of participants thought that inequalities should be a cross-cutting theme for this work given the stark and growing inequalities in economic outcomes across the UK. While this would need to include a focus on place, race and gender, participants also highlighted inequalities across age groups and thought that attention should be paid particularly to inequalities in children’s development and how this varies regionally.

As part of this discussion it was pointed out that it was important to recognise plurality when we talk about ‘the public’ which in itself may be something of a misnomer; ‘publics’ was offered as a more appropriate term given there is no single ‘public’. In thinking about sustainability, it was suggested that the group consider ‘sustainability for who and in what context?’, particularly around the

intersectionality of these issues for different groups which each have multiple touch points and may have agency in one area but not another. The terms 'sustainability' and 'social value' themselves would mean different things to different people and participants agreed that the group would need to be clear on what exactly it meant by these.

Social security was also emphasised as an important area to focus on with regards to family support and intergenerational justice given that it is a very significant part of public expenditure and millions of people depend on it, particularly those with health issues and single-parent households. The current model of social security was argued to be punitive, simplistic and based around a lack of trust, which failed to give people agency or autonomy and there was an opportunity for this group to think about what a new model or welfare contract could look like.

1.3 The green transition and public(s) engagement

Decarbonisation and the radical structural transformation this represents for the UK economy was highlighted as a key issue to explore in this work going forward. In particular, participants discussed what government would need to do to ensure societal readiness for this transition and questioned whether the UK has adequate social institutions in place required for this economic restructuring.

Policies to support people through the transition and to promote societal adaptability and resilience were thought to be missing from current government thinking around Net Zero, perhaps as a result of fragmented government decision-making. While it was argued that not everyone would benefit from the green transition and that 'planned sacrifice' would be a more realistic framing than 'just transition', there was also discussion around whether government may seek to focus on specific groups (rather than just through a place lens) such as key workers and older age groups who risked being left behind in the transition. It was suggested that the group may seek to try and link its thinking on these issues with the UN's Sustainable Development Goals.

Co-creation and public engagement were felt to be particularly important in addressing these challenges which would be too large for governments to tackle by themselves. Policymakers would need to engage in a comprehensive and multi-faceted way with publics to think about the different roles that different parts of society would need to play in the green transition, which in itself could help to embed inclusiveness in the process and provide legitimacy for government to carry out the bold decisions required to bring about decarbonisation.

A whole systems approach

Given the discussion around the socially embedded economy, a number of participants emphasised the importance of a whole systems approach to economic decision-making which recognises the interconnectedness of the different systems that make up the economy and how social policies that impact health, wellbeing, inequalities or sustainability will also have consequences for economic outcomes. It was suggested that only by moving from a project-based approach to systems-level thinking around what people need in order to work together, innovate, adapt and live a good life would government be able to tackle systemic inequalities. As part of this, government would need to broaden its understanding of both innovation, which has to date largely disregarded social innovation and its potential to drive economic innovation, and infrastructure, which should include things like childcare and social care that have a large impact on people's lives and underpin large parts of the economy but are largely missing from traditional conceptions of infrastructure held by policymakers.

2.0 Meeting 2 summary note (Weds 14 Jan): Conceptualising the socially-embedded economy

2.1 Introduction: The socially embedded economy as a framing for policymakers?

There were a mix of opinions across the group regarding the clarity and efficacy of the term ‘socially embedded economy’. While some saw it as a useful way of capturing the crucial relationship between economic and social policy, others viewed it as being too abstract to be helpful in communicating to policymakers and the public and thought that another phrase or terminology might be needed or a series of conceptual and practical steps to make these ideas clearer to policymakers.

Members also discussed how these ideas differed from terms like ‘inclusive growth’, with most feeling that they were quite distinct and implied different policy goals. For example, some saw inclusive growth as a nod by policymakers to some of these ideas without straying too far from the economic orthodoxy, in contrast to terms like ‘inclusive wealth’, for example as laid out in the 2021 Dasgupta Review, which participants suggested does actually represent a radical departure from the current status quo by going beyond GDP in measuring a country’s wealth in order to include things like social and natural capitals. It was noted, however, that while the UK government had commissioned the Dasgupta Review, it had not since actioned its findings with regards to ‘inclusive wealth’.

There are questions of whether ‘socially-embedded economy’ is the right framing for taking forward the idea of an integrated economic strategy for the UK. Another similar framing discussed was the ‘prosocial economy’ which may put the emphasis more on the collaborative behaviours that can ensure that economic activity benefits society as a whole and is underpinned by shared purpose and values.

2.2 The importance of promoting collaboration, solidarity and agency-inducing contexts in social systems

In a provocation provided by Professor Dennis Snower, he argued that a key question for government is how it can enhance pro-social behaviours and support people to collaborate and work together towards common goals. Snower identified a number of collective challenges at different scales ranging from those at the macro level (for example, global challenges like climate change) to those at the micro levels (for example, local challenges like neighbourhood crime), and posited that only by aligning our collective capacities can we tackle our collective challenges. Given that small social groups are the basic building blocks of our society, polity and economy, he argued that the collaboration required to face these challenges must happen predominately at the micro-social level. He put forward that neither the market (due to potential market failures) nor the state (due to potential government failures, regulatory capture etc) are sufficient for promoting the collaboration required to tackle our collective problems, nor would a combined state and market response work (as the failures of each tend to aggravate one another). Rather, public policy should seek to tap into the social relationships and psychological motivations that underpin the small social groups that make up our lives as policy instruments to promote pro-social contexts and induce people to collaborate in facing our collective challenges.

Further, he argued that government needs to promote contexts which improve the solidarity, agency and adaptability of the population, which it was thought would be particularly important to encourage resilience during the green transition. These, in addition to feelings of security, were argued to be

crucial to people's lives although often neglected in policy, but which could be enhanced through policies that advance social justice, diversity and inclusivity, strengthen social support structures and feelings of belonging in communities through participation, and empower people and their communities to engage with and shape the environments.

2.3 Making the case for investment: linking social value with productivity

One key change in thinking considered in adopting a more socially-embedded or prosocial approach to economic strategy is to see social issues not as burdensome costs on the public purse, but as important areas for investment, because tackling these issues makes everyone better off. Shifting the narrative from one of costs to one of investment will broaden the debates around growth and productivity, linking together social value with economic strategy.

Participants reflected on current political and economic debates around growth and productivity which they argued are too narrowly focused on maximising efficiency and metrics like GDP and labour productivity. As discussed in the first meeting, participants argued that economic relations are at their core embedded in social relations, but that these measures around which governments base their economic approaches provide no insight into the health or wellbeing of the population or how much social value is being produced. However, it was raised that people are not productive if, for example, they are not well or the object of systemic discrimination; as a result, we cannot have a more productive economy if the population is not thriving.

Policymakers should therefore look to make social value central to its economic approach, rather than as an afterthought to traditional ideas around growth and productivity. It was argued that we need an economy that creates social as well as economic value, which ensures equal access to non-economic goods as well as economic goods, and which values and promotes people's health, wellbeing, relationships, environmental space, security and so on. As part of this, policymakers would need to reframe their own narratives around public spending, from viewing them as costs to bear to investments in people's health, education, and wellbeing which ultimately contribute significantly to the productivity and wealth of the nation.

2.4 The case for tackling inequalities

A central part of the discussion considered the socially embedded economy through the lens of inequalities. A provocation by Professor Kate Pickett argued that tackling income inequality would be a necessary precondition to shifting towards a wellbeing economy, a just transition and sustainable prosperity given the extensive research demonstrating that countries with higher levels of income inequality also experience higher levels of health, social and environmental problems. This includes, for example, lower literacy rates, social mobility and life expectancy compared to countries where income is more equally distributed. It was noted that more equal societies are more cooperative and more mutually supportive, while more unequal societies tend to experience higher levels of societal tensions and political radicalism, meaning that tackling income inequality can also improve societal cohesion and resilience.

She argued that the reduction of income inequality must therefore be a central ambition for policymakers going forward, but that this contradicts current political narratives around the primacy of economic growth compared to more equitable distribution. Others thought that a range of other inequalities, including social inequalities, would also need to be addressed in addition to income inequality and that equitability would be vital for sustainability agendas, with the transition to net zero likely to face rising opposition if large parts of the public feel that the burdens of transition are not

being shared fairly across society. A number of participants felt that there is a widespread public appetite for tackling inequalities, but that the country currently lacked the effective political leadership required to do this or to grapple with the difficult trade-offs inherent in this.

2.5 The importance of understanding intersectionalities in policymaking

This tied with a thread of the conversation prompted by a provocation by Professor Ann Phoenix, who emphasised that embedding thinking around intersectionality in policymaking would be critical to good policy outcomes. She noted that effective social policy requires policymakers to recognise the importance of differential impacts, and how intersecting inequalities (for example related to socioeconomic status, ethnicity, gender, age and geography, amongst others) can result in those that are already disadvantaged being more adversely impacted by specific policies. The example was given of how the COVID-19 pandemic highlighted differences between children in terms of access to food and the internet, with children from lower socioeconomic backgrounds more negatively affected by their intersecting inequalities to a greater extent than their counterparts from higher socioeconomic backgrounds. It was put therefore that a one-size-fits-all approach to social policymaking does not work and that policies relating to social value and sustainability must be 'situated' in and responsive to the social, economic and environmental systems in which they appear. Additionally, co-production would need to be a core part of any new approach to policymaking, as policies are often currently developed and implemented without the input of the groups they are most likely to affect. It was suggested that a more participatory and inclusive research and policymaking process involving a diverse range of groups would lead to more effective policies and would enhance citizens' agency.

2.6 How a systems-based approach can lead to more holistic policymaking

The latter half of the discussion focused on the implications of these ideas for government policymaking. A recurring theme was that of the short-term and siloed nature of policymaking that characterises much of how government operates. Most policymakers are more preoccupied with dealing with immediate crises than long-term policy objectives and departments lack join-up across Whitehall and across policy agendas. It was noted, for example, that over the past three decades there had been 14 different government strategies to tackle obesity involving 10 different targets. One participant pointed to how such siloed thinking can lead to policies having negative unintended consequences, citing well-intentioned policies to freeze council tax in Scotland that led to huge shortfalls in local authority budgets and, ultimately, cuts to education and health spending that has affected the worst off most acutely. The example demonstrated the importance of taking a systems-level approach to developing policies and thinking holistically about their possible ramifications and how they might impact those with intersecting inequalities.

Participants agreed on the need for more joined-up working between government departments and a more integrated systems-based approach to thinking about public investment and returns. It was noted that a key challenge currently is that investment by one department often does not lead to returns experienced by the same department, making it harder for departments to articulate the value of or make the case for those investments to the Treasury. The hypothetical example was given where the Department for Housing, Levelling Up and Communities may choose to invest in community-level social infrastructure, but where the returns may be seen instead by the Department for Health and Social Care in the form of improved health and wellbeing. A central question posed to the group was how to get the Treasury to be thinking more systemically with regards to investment, beyond the existing paradigm offered by the Green Book.

2.7 Mechanisms to drive social and economic innovation simultaneously

One participant posed a framework for thinking about how social and economic value generation might underpin a socially embedded economy, whereby (1) social value generates economic value (2) economic value generates social value and (3) social and economic value are simultaneously generating each other. As part of this, the group considered policy mechanisms that might co-create social and environmental value simultaneously while also addressing income inequality. One example included interventions which promote social innovation that could be targeted at those on lower incomes, such as microfinance initiatives for start-ups intending to develop renewable energy or more broadly promote social and/or environmental good. Such policy interventions could help to scale up their initiatives, helping them to grow and generate both social and economic value simultaneously. Another participant suggested modifying the Energy Company Obligation scheme from the current model of requiring utility companies to invest in various energy efficiency measures to, instead, the money going directly from the utility companies to registered social landlords who are more likely to know how to spend the money effectively in order for them to directly improve housing, tackle fuel poverty and reduce emissions.

Another participant thought that instead of getting stuck in the intellectual underpinnings of the socially embedded economy, the groups should look to focus on what its implications are regarding principles or pre-requisites for effective government policy. They argued that for a government to be successful on any of its economic, social or environmental fronts, they need to be successful on the other fronts as well. They are not discrete policy agendas, but rather success in one is inextricably linked to success in the others. Governments should therefore have a number of complementary policy objectives; this might include GDP growth as long as it is fairly distributed and married with policies on social cohesion, agency and participation, and considers the environmental context. It was put forward that one of the outputs of this group could be a set of principles for helping policymakers to think clearly about their objectives and how they interrelate to each other; so, for example, if government wanted to set itself objectives on material wellbeing, what would that require in terms of solidarity and agency objectives? It was suggested that thinking about policy in this more holistic manner could help to naturally draw the different parts of government together.

3.0 Meeting 3 summary note (Weds 13 Mar): Developing a systems approach to the socially-embedded economy

In the two previous meetings, the Working Group discussed how economic relations are fundamentally embedded in social relations and why policymakers should therefore look to make social value central to its economic approach. It touched on the current state of government policymaking, which participants considered to be short-term, siloed and lacking coordination across policy agendas. Participants agreed on the need for a more integrated, systems-based approach to policymaking which it was felt would enable a more holistic understanding of how economic, social and environmental policies interconnect. This meeting sought to take forward the ideas around the ‘socially-embedded’/‘pro-social’ economy from the previous sessions and consider in more depth how a systems approach might be applied to policymaking to help join up policy agendas across government.

3.1 What is a systems approach?

The first part of the discussion focused on the theoretical underpinning of a systems approach. It was noted that, while there is no single way of doing systems analysis and that it can vary between different contexts, ‘systems-thinking’ at its core involves joining up different parts of a system that might interact with one another. For policymakers, their role is to build on those interactions in order to encourage desired behaviours and outcomes.

In a provocation provided by Professor Cameron Hepburn, he argued that economies can be thought of as complex adaptive systems; they are complex, in that they involve many different interacting agents; the agents and the system itself evolve and organise themselves over time making them adaptive; and the macro phenomena that policymakers observe (such as unemployment, levels of poverty or environmental destruction) emerge from the micro interactions between the agents within the system.

These ideas can also be applied to sustainability; the UK can be thought of as a complex, non-linear socio-technical system (encompassing our socially-embedded behaviours, our social/economic structures and institutions all interacting dynamically with each other) which impacts on its physical system (our natural environments/climate) which in turn influences and puts pressure on our socio-technical system. Social, economic and environmental agendas are therefore closely interconnected. The implications are that policymakers need to recognise that what affects the environment will affect our society and economy (and vice versa), and that officials cannot achieve their economic goals without considering their social and environmental goals.

3.2 Integrating natural capital into economic strategy

This point was expanded on further in a provocation by Professor Ian Bateman FBA, who argued that it underlines the importance of policymakers integrating natural capital into their economic strategy and wider decision-making. He pointed to examples where this is already starting to be seen; there are a number of reports and pieces of legislation that have reflected elements of a natural capital approach, including the ‘25 Year Environment Plan’ (2018), the 2020 Agriculture Act and 2021 Environment Act, and he noted that HM Treasury’s guidance on public spending also now considered things like natural capital stock levels (alongside human and manufactured capital stocks) as part of the appraisal process. While there had been progress on this front, he thought that

there should be a further shift away from conventional cost-benefit analysis to encompass ideas of value and wellbeing and how this is distributed across society; and while these are harder to measure, they can still be quantified and should be part of the decision-making process.

Professor Bateman proposed three important elements for policymakers to consider in their decision-making when taking a natural capital approach:

- Sustainability; ensuring that natural capital stocks pass from one generation to the next without being diminished and respecting planetary boundaries (the thresholds below which natural capital stocks can collapse)
- Efficiency; ensuring that finite natural resources are allocated in a way that generates the best outcomes for society and so are not outpaced by consumption/demand (this can be done via tax and regulation policies, subsidies to address externalities etc.
- Equity; ensuring equitable distribution of these resources across society which should be a priority for both moral and pragmatic political reasons (this may be achieved via redistribution of taxes, income support or guaranteed access to wellbeing-creating goods etc)

3.3 How can we measure what matters?

Discussion turned to alternative metrics, which have been a recurring theme of all the sessions so far, with participants broadly in agreement that GDP cannot effectively measure people's welfare in a rich economy. As highlighted in the previous meeting, the 2021 Dasgupta Review had recommended the adoption of measures that encompass human, manufactured and natural capital, although this had not since been adopted by HM Treasury. Participants noted that wealth accounts that try to capture measures of these capitals do already exist, and that while they are currently perhaps overly-simplistic, they represent an important step along the way to a more granular way of thinking about how think about and measure value beyond simply GDP. One participant noted that one of the UK's strengths is that it is an incredibly data-rich country when it comes to economic, social and environmental indicators which can be of significant use to policymakers.

3.4 Case study: Systems thinking from the perspective of innovation and regulation

In her provocation, Professor Joyce Tait explored systems-thinking when applied to the research, development and production of innovative technologies from the perspectives of both the innovator and regulator. In thinking about the innovation system, she noted that for innovators there are a number of factors within its control (such as business models), and various factors that will affect the behaviour of the system but are ultimately outside the innovator's control (including regulations and standards, industrial dynamics and funding models). For regulators, she argued that a systems approach was vital for avoiding harmful unintended consequences, including failing to stop potentially dangerous innovations and preventing useful technologies from developing - the principles of proportionality and adaptiveness were highlighted as being particularly important in ensuring that regulators strike the balance between these. She noted that regulation is very hard to change once it is in place, and so standards and guidelines are more useful in the earlier stages of development to enable responsible innovation.

3.5 How can we deliver what matters?

While participants agreed on the need to integrate different policy agendas and departments across government, this part of the session sought to focus on how this might be implemented in practice. It was noted that policymakers often talked about joined-up/systems-thinking without much impact, although a participant did point to a [toolkit](#) produced by the Government Office for Science for civil servants on systems thinking. It was also posed whether a systems approach in government should be challenge-based or driven by a set of shared missions that might help to identify synergies between different departments.

Professor Hepburn's provocation cited Meadows' (1999) hierarchy of intervention points in a system. This posits that higher up the taxonomy are policy instruments like changing tax rates which, while important and can deliver real changes, are ultimately superficial and merely change a parameter within the system. Moving further down the taxonomy are more substantial interventions, including changing the way that we think about the system itself. The 'sensitive' intervention points, where a relatively small change might produce significant impact within the system, were highlighted as being particularly important for policymakers to identify, especially where the system is close to a 'tipping point'.

The example was given of relatively modest levels of subsidies that have been provided for clean technologies which has enabled them to become more economically competitive and being taken up more readily by the market. A further example included how the US Government's Food and Drug Administration was able to encourage previously unwilling pharmaceutical companies to develop new drugs by changing the guidelines for clinical trials which brought the cost for these companies down by 50%. It was suggested whether trade (in foodstuffs, energy and/or materials) might represent one of those sensitive intervention points for the UK economy.

3.6 Systems thinking in a policy context

A few key questions were posed to guide the final part of the discussion: what is the feasibility of getting systems thinking into a policy framework, what would need to change from the way policy is currently conducted in government, and what resources would be required?

With regards to feasibility, a number of participants felt that a systems-based approach leading to better decision-making was certainly achievable, as evidenced by some of the progress that had been made in the natural capital approach to the environmental legislation highlighted earlier. One participant noted that lessons could be drawn from other governments which have embedded, and benefited from, systems-thinking early on in their ways of working; particularly, they highlighted their own experience of working with the German government where it was clear that, even at the very early stages of innovation or technology development, their officials would already be thinking about economic and societal considerations, and how the innovation might affect supply chains, jobs, and growth. It was also felt that academics would need to be able to more effectively support policymakers, who are often searching for expertise but incredibly time-limited, by translating their research in a way that policymakers could make use of immediately.

Participants discussed the scope for radical thinking here. It was suggested that the most radical idea would be for government to do away with individual departments altogether, as the current approach to cost-benefit analysis in specific departments was viewed as a block to more holistic, long-term thinking and investment. Others argued that policymakers already have the ability to make incremental, yet very meaningful, positive changes for people and businesses that do not require massively radical thinking. Another participant thought that a combination of a radical and

incremental approach could be beneficial. They recognised that policymakers tend to lean away from the radical and that purely radical recommendations would likely fall on deaf ears however strong they might be; changes that don't require fundamental shifts in the way policymakers make decisions combined with more fundamental reorganisations of government structures were argued as being a possibly more effective route.

The conversation turned to whether a new institution or public body would help to embed a systems approach within government; for example, an 'Office for Social and Sustainability Responsibility, equivalent to and working with the Office for Budget Responsibility, tasked with reviewing the government's social and environmental policies that could bring to bear diverse and multidisciplinary thinking and consider unintended consequences before policies are implemented. Another participant thought that the National Institute for Health and Care Excellence (NICE) offered a useful model for an independent body that may be worth examining further. A Bank for Nature (and/or a Bank for Social Capital) that could sit alongside the Bank of England was also suggested which could be responsible for setting the price of natural capital assets or biodiversity credit value.

However, it was countered that whatever solutions the group offered would need to work within the political realities that policymakers are operating in; if elected officials did not see any of these as being feasible or in their interests, then the solutions would likely end up being irrelevant. A challenge for an independent body, for example, is that it may not have powers to actually hold government policies to account; the OBR, for instance, could not prevent recent fiscal events which would likely have not passed their tests. Policy consistency was also identified as a fundamental requirement for implementing joined-up policy agendas across departments.

Additionally, a participant pointed out that the UK currently has a National Investment Bank which is meant to have a strong environmental focus (and did previously have a successful Green Investment Bank which was bought by the private sector), but it was argued that as banks their role should be to allocate capital for projects which can deliver returns rather than be used as tools to deliver social and environmental policy goals. Instead of setting the price of credits for offsetting carbon, they thought they should be responsible for setting the regulations so that any externalities are charged.

3.7 The role of social change and social innovation

Lastly, the discussion touched on the interaction between social innovation and policymaking. Participants raised changes to smoking/drinking habits and the rise of vegan diets as recent examples of significant social changes, and how policy has often been driven by grassroots demand for change rather than the other way around. It was posed how government might be enabled to respond more rapidly to the positive social change coming from the grassroots level and how it might be able to articulate a positive vision that can bring people together.

4.0 Meeting 4 summary note (Weds 24 April): Social protections as a foundation for sustainable growth

This meeting sought to build on previous sessions by considering social protections and the role these might play in bridging social and economic policy agendas in a way that looks beyond just economic growth and which also prioritises societal wellbeing. In particular, the group were asked to consider the different types of social protections, how they contribute to productivity and societal wellbeing, whether the current design and provision of different types of social protections are fit for purpose and how they would need to be reformed to support people effectively through the structural economic transformations that we are likely to see in the years ahead.

4.1 The current model of social protections

The first part of the discussion focused on the different types of social protections and the roles that these play in our society. In an opening provocation by Professor Jane Millar, she posed that social protections broadly serve three main purposes, namely 1) To help people maintain adequate living standards; 2) To manage economic and social risks, and; 3) To prevent, alleviate and reduce poverty and inequality.

Millar also noted that specific social protections largely fall within three main categories:

- Contributory, where eligibility is based on National Insurance contributions and which aims to cover interruptions to or ending of earnings
- Universal or categorical, which covers everyone that fits into a specific category (including, for example, child benefits and some disability and carers benefits)
- And means-tested, which is usually based on an assessment of (family/household rather than individual) income and circumstances

Millar pointed out that there had been a significant shift in the balance between these different forms of social protections in UK policy over recent decades; while in the second half of the twentieth century these had been largely contributory, with some universal/categorical elements and means-testing seen as a last resort or safety net, means-testing has since become much more prevalent and there are now hardly any contributory benefits. It was argued that, while social protections are supposed to act as a safety net for those in poverty, substantially increased means-testing, the insecurity caused by monthly assessments, and real-term reduction in universal benefits (for example, child benefit) had undermined this.

Discussion then turned to the end policy goals of the UK's system of social protections, which participants argued are too narrowly-focused on work activation and getting people into employment regardless of whether the job is a good match for the person's skills or personal circumstances (for example, a person's health or caring responsibilities). Participants felt that this undermined one of the purposes of social security being to support people in managing economic and social risks across the life cycle.

Additionally, it was suggested that the nature of the UK's social security system had been, and continues to be shaped, by a number of deep-seated assumptions, including:

- That people are not willing to work unless there is a clear financial return (meaning that benefits must be kept low to ensure that people are encouraged to seek employment)

- That people have to be compelled to work or work more (which therefore requires enforceable rules/sanctions and regular monitoring) and;
- That the most effective approach to supporting people is to encourage people to get into work, regardless of the suitability, and then to focus on progression from there (exemplified by the ABC model: Any job → Better job → Career progression)

Millar argued not that these assumptions are based on overly-simplified economic models of human motivation and behaviour and ignore the social and relational contexts in which people make decisions. She also noted that a growing body of research is also showing that these have been ineffective at getting people into and staying in employment, while also causing significant stress, anxiety and hardship as a result of making people's lives more insecure and uncomfortable. She offered the following challenges to these assumptions laid out above, suggesting that the social security system should:

- Place more emphasis on financial security over incentives as drivers of behaviour.
- Focus on autonomy rather than compulsion; people need space to make their own decisions, time to think about things and assess options, and to make decisions with long-term goals in mind.
- Prioritise a good job match that is suitable to an individual's skills, experience and ambitions and fits their circumstances, rather than pursuing an ABC approach.

4.2 Financial security and the 'caring economy'

The importance of highlighting financial security was expanded on further by Baroness Ruth Lister who argued that, instead of financial incentives as drivers of behaviour, the assumption should be that people need financial security. While people do take the financial returns of work into account when making decisions, the picture is more complex and contextual than that; if they do not have income that is secure or adequate, this will make engaging with work much harder as it will crowd out most other things in their lives. It was put that the regular means-testing inherent in Universal Credit and allowances changing from month to month could make lives more precarious and insecure compared to benefits being fixed for a period. Further, she cited a [report](#) from the Joseph Rowntree Foundation which argues that promoting economic security would help to enhance people's sense of control over key aspects of their lives, providing a platform for dignity, opportunity and hope while also enabling their fullest contribution to society and to the economy. [Research](#) by the Financial Fairness Trust has also shown that feelings of economic insecurity are not confined to those on the lowest incomes, with those on middle incomes are also experiencing financial vulnerability.

Another key theme raised was that of care, which was considered particularly important from a gender perspective given caring responsibilities are disproportionately taken on by women. Lister highlighted the notion of a '[caring economy](#)' proposed by the Women's Budget Group Commission on the Gender-Equal Economy which would prioritise investment in childcare and eldercare as key elements of the UK's social infrastructure and a better gender and time balance between paid work and unpaid care work. A central principle of this would be to rethink how we value particular kinds of work in our society, which would be particularly important given how low care work is currently valued in terms of salaries. Relatedly, another participant emphasised the importance of a more holistic, intersectional approach that takes into account the link between caring responsibilities and poverty and also how unequal experiences of poverty, hardship and exclusion can be magnified by existing gender, class, racial and other inequalities.

4.3 Case study: Universal Basic Services and the case for systemic change

Andrew Percy offered a provocation making the case for systemic change to the way that social protections are provided. He noted that, while the UK allocates a significant proportion of its public spending to social protections, this system is still widely viewed to be failing and therefore requires wholesale reform, proposing a deliberate shift away from monetary compensation towards more holistic satisfaction of basic needs with services which include (but are not limited to) shelter, sustenance, education and caring services.

He argued that the ultimate purpose of society and social protections is to create the conditions for collective decision-making and implementation, which applies at an individual but also a societal, national and international level; we cannot, however, expect to improve decision-making to meet the systemic challenges we face (including the green transition and our ageing population) without a broad satisfaction of the population's basic needs. He considered that the current system of monetary compensation is inextricably linked to conditionality, and direct satisfaction of basic needs through services can be made unconditionally accessible more easily. He pointed to [research](#) carried out at the Institute for Global Prosperity that suggests that less than 5% of GDP would go a long way towards universal satisfaction of basic needs through services which might be more effective than our current system for promoting productivity and which could enable individuals to be safe, take advantage of opportunities and participate in society. Some in the group questioned which services might be prioritised given the reality of limited fiscal capacity, while others considered that borrowing to invest in the country's key capitals would be acceptable if the long-run benefits are expected to exceed the initial investments.

4.4 Social protections, sustainability and place-based approaches

It was questioned how in practice a UBS model would take into account the differences between places given that the services required in Blackpool and Reading, for example, might be very different. An approach to social protections that recognises the differences between localities was highlighted as being particularly important, and it was asserted that supporting people through the coming structural economic transformations would need to be flexible at the local level and frameworks for upskilling and matching people with good jobs that can deliver better security and green goals would need to be developed in the unique contexts of different places. One participant argued that this could complement environmental policy as well, citing another Women's Budget Group paper on '[Managing Risk Through Security](#)' which argues that "security and risk-sharing can support moving to a green caring economy and contribute to public acceptance of climate change policies", further emphasising the relationship between social protections, economic growth and a sustainable economy.

4.5 How do these need to change going forward?

The conversation then moved to how policymakers might approach social protections differently going forward. A number of 'quick fixes' that could have a significant impact on people's lives were identified including removing the two-child limit and benefit cap. In addition to her challenges to the deep-rooted assumptions around what motivates people and the narrow focus on work as the only policy goal, Millar suggested that the balance of how social protections are provided should shift away from means-testing and social insurance benefits should play a more central role, which would enable the design of a system that will be better suited to the changing economy and built around trust and security rather than suspicion and coercion.

Participants also highlighted how significant changes to the design and provision of social protections would require forms of contribution beyond just paid work to be valued and recognised as a significant part of the life cycle, with particular reference to the role and importance of caring. Additionally, there would need to be a shift in the narrative around the economic and social value of social protections, from being seen as an economic burden to a narrative of investment in the future growth and productivity of the country that will benefit society as a whole. This was thought to be especially pertinent given that those who lack the security they need may end up becoming stranded human assets requiring more support from the state in the long-term and less likely to contribute productively to the economy and society. It was suggested that there is already more recognition now in policy of the consequences for economic activity of not supporting families with childcare and facilitating mothers' participation in the labour market, although participants also raised that policymakers should not lose sight of the experiences of children themselves which can be viewed as important in and of itself and also given their role as future productive members of society. While some thought that Universal Basic Services might be unrealistic across the entire population, it was raised whether a similar initiative available to children and young people might be effective.

It was suggested that this group could lay out for policymakers different models that are cheaper and more effective than our current system of social protections at delivering security, with opportunities for learning from approaches being taken in other countries. Another participant felt that a possible route for turning these high-level aspirations into more practical steps would be around measurement, noting that the ONS had already made significant progress in measuring indicators more broadly than GDP which had not yet been brought to bear in the public debate, and which could be extended to include things like social capital, solidarity and agency to allow for a wider conception of what it means to be fulfilled.

Lastly, participants felt that public and political debate on these issues is very narrowly focused on how to reform Universal Credit, which has crowded out possible discussion on alternative policy options and models of social protections to meet changing economic and social conditions. It was felt that there would be value in encouraging more in-depth public and political debate around social protections and more broadly around the kind of economy people want, with a participant posing that the economy should ultimately be a means to achieving the type of society people want to see. A number of the group thought that public voices on these issues could be very different from that of politicians, particularly if any new approach to social protections focused more on a narrative of safeguarding economic security against the range of risks faced during one's life which it was felt could appeal across different parts of society.

Readings

- Galandini, S., Spoors, C. (2024), *Valued: Breaking the link between paid and unpaid care, poverty and inequalities across Britain*, Oxfam
- Hirsch, D., Karagiannaki, E. (2024), *Caught in the middle? Insecurity and financial strain in the middle of the income distribution*, Financial Fairness Trust
- Cooke, G. (2023), *Economic security: A foundation for dignity, opportunity and hope in an age of uncertainty*, Joseph Rowntree Foundation
- Howard, M. (2022), *Managing risk through security: Social security's contribution to tackling climate change and gender inequality*, Women's Budget Group
- Diski, R. (2022), *A green and caring economy*, Women's Budget Group

- Social Prosperity Network (2017), *Social prosperity for the future: A proposal for Universal Basic Services*, UCL Institute for Global Prosperity
- Percy, A. (2021), *National contributions: Reforming tax for the 21st century*, UCL Institute for Global Prosperity
- Percy, A. (2021), *Universal Basic Prosperity: Sustainable prosperity for the 21st century*, UCL Insitute for Global Prosperity

5.0 Meeting 5 summary note (Weds 29 May): The changing nature of work and the ‘good work’ approach to economic strategy

This session built on previous discussions around the social foundations for sustainable growth by exploring how and why the nature of work is changing for different groups in society, what we mean when we talk about ‘good work’, and how ‘good work’ might help to insulate people and communities through the coming green transition and technological transformation. The discussion also considered what practical steps might be taken for developing a ‘good jobs’ strategy that looks beyond just economic growth and also prioritises societal wellbeing.

5.1 What we mean by ‘good work’

A crucial starting point for this discussion was an interrogation of what we mean by the term ‘good work’. While existing conceptions might mean work that is well paid, has predictable hours and allows for flexibility to meet individual needs and family circumstances, participants emphasised that good work should also provide a sense of purpose and meaning, enable people to use and develop their skills, and produce social and environmental value as well as economic value.

Participants agreed that the UK has too many jobs that are low paid, provide little flexibility and offer few or no routes of progression. In an opening provocation by Professor Heejung Chung, she noted that greater flexibility for some types of jobs had given people more freedom with regards to where and when they work and had allowed for greater labour market access for women, minorities and people with disabilities. However, such flexibility and the digitalisation of work has also led to people working harder and for longer and has promoted an ‘always on’ working culture. Professor Chung argued that this has caused greater (self-) exploitation at work, with more and more people undermining their own health and wellbeing (and their families’ wellbeing) by pushing themselves to the point of burnout. She also noted the implications of this for sustainability, as people have less time to engage in more environmentally-friendly behaviours.

A number of participants emphasised the need to think about how good work might vary across sectors. Men working in construction, for example, are three times more likely to commit suicide than the average¹, with a participant suggesting that this owed in part to the number of self-employed in the sector who expose themselves to significant risk when investing in heavy equipment and who are also very vulnerable to changes in government policy.

Additionally, it was raised that in many sectors workers lack a sense of community or shared purpose; the example was given of care homes, which usually have a mix of permanent staff and temporary agency workers who tend to move between jobs and organisations more frequently. For both the long and short-term workers there’s fewer opportunities for socialisation and little sense of shared purpose in their work. Participants felt that the value that people place on their own work to be crucial; do they think they are doing something meaningful and fundamentally worth doing? Do they feel that their work is creating a lasting contribution not just to their own lives but for other people as well?

5.2 How intersecting inequalities can impact views of, and access to, decent work

As well as thinking about good work across sectors, participants raised the importance of considering how perceptions of good work might vary depending on factors like gender, age and place, and how intersecting and structural inequalities might affect not just how people conceive of

good work but also their ability to access decent jobs. Professor Chung noted that good work can look very different for men and women, and particularly for women with children given that they continue to carry out a disproportionate amount of family caring responsibilities. These inequalities can be exacerbated by where people live which can affect, for example, the availability and costs of childcare. One participant noted research that had shown that women in the north of England had much lower employment rates than elsewhere in the country, and that these higher levels of economic inactivity are closely related to higher levels of long-term sickness and disability.

Conceptions of good work may also differ over people's life span. It was suggested that younger generations, who have been particularly hard hit by the decline in real wages across the last two decades, tend to place more emphasis on work that is personally fulfilling, which produces both social and environmental value and which allows for sufficient work-life balance. Participants stressed, however, that placing such value on flexibility is not limited to young people; with the state pension age rising and people working until later in their lives, older generations will therefore also require flexibility and agency in their working arrangements.

Further to this, a number of the group urged policymakers not to lose sight of issues around the accessibility of work. Participants considered this to be particularly important given the ways that accessibility, which is closely related to structural socioeconomic inequalities, can prevent people from accessing particular work opportunities. It was suggested therefore that policymakers and industry should prioritise engaging with a diverse range of voices from different communities and across generations when designing and implementing policies to make work more accessible.

5.3 Technological transformation and disruption to work

Building on work done as part of the Pissarides Review into the Future of Work and Wellbeing (and the Institute for the Future of Work's Good Work Charter), Professor James Hayton's provocation aimed to tackle two closely linked questions: What factors influence the nature and pace of the adoption of AI and automation technologies across the UK economy? And, what factors influence the impacts of technological transformation of work and society?

Professor Hayton began by noting that there are varying forecasts about the extent of potential disruption to work caused by advancements in and adoption of AI and robotics. While some take a positive view that new technology and increased task automation will make workers more productive and allow them to focus on more interesting and challenging tasks (with an example given by another participant that the deployment of AI in parts of the construction sector had created new jobs and enhanced productivity in some areas), others think that this might lead to extensive deskilling and unemployment for significant parts of the economy.

He emphasised, however, that these forecasts ignore the exigencies of technology adoption which are dependent on a large number of factors. Adoption, he argued, is not an inevitability, nor is it a single event but a process where there are many opportunities for failure; whether that be in failing to identify where a new technology might offer an opportunity to improve a product, process or service, the leadership of a business not being willing to take a risk on adopting a particular technology or change, or employees not being willing or able to adapt to new processes. He noted that these can be significantly influenced by organisational factors, including the levels of (de/)centralisation, employee specialisation and financial slack within a company.

5.4 The importance of investing in workforces in mitigating technological disruption

Professor Hayton stressed that new technologies and their potential impacts must be considered in their relevant sociotechnical contexts. Conditions outside of an organisation, including whether it has access to an educated/skilled workforce, technological infrastructure and investment capital, as well as wider social and political factors, can mean that the level of technology adoption, and their outcomes, can vary significantly across employers and between different places.

Within an organisation, Hayton emphasised the importance of managerial choices around human resources which can help to determine levels of trust, receptivity to new ideas and attitudes towards uncertainty and risk. He noted that a company's workforce and managerial skills are essential to the successful implementation of new technologies, and that participation in decision-making, opportunities for training and commitment to organisational goals are all factors which can impact on a company's ability to identify, adopt and implement new technologies.

In addition to studies by John van Reenen and Nick Bloom that shows the link between better management practices and higher productivity, Hayton cited research which showed that a positive investment orientation towards human resources – empowering employees, consulting them in decisions, and treating a workforce an investment rather than a cost – can lead to more positive perceptions of technology in a company². Where a company has supportive HR practices and high levels of readiness with regards to the external environment (for example, the access to external infrastructure and a skilled/educated workforce), the research showed that adoption of technology improved job quality outcomes. He posited that there is therefore a 'virtuous circle' involving treating employees as an asset to invest in, the capacity of an organisation to adapt to new technologies, and the impacts those new technologies have on the work and lives of employees.

5.5 What might a good work approach look like in practice?

The second half of the discussion focused on the ways in which society will need to rethink how we view decent work in order to meet the challenges of technological disruption, the green transition, political polarisation and rising levels of inequality. In particular, it was suggested that society will need to grapple with underlying questions around what human endeavour should be used for, whether work should be detached from market exchange values, and if work might be thought of as a social right for citizens to be able to fulfil their skills, enhance their wellbeing and contribute to society.

Participants highlighted the importance of socially regenerative work and the value that people place on the work performed by those employed in public services (e.g. in the NHS or social care sector). It was questioned, however, why our current system seems to require those who want to work in public sector roles that produce significant social value to do so in many cases for relatively low monetary compensation. The social care sector was given as an example of an area of work that is crucial to the functioning of society that still fails to command the monetary value that many would agree it deserves, with participants in agreement that there needs to be a fundamental reassessment of the value placed on care work which will only become more important owing to our ageing population.

A number of policy ideas were discussed, including the potential of the four-day working week which some claimed research is starting to show has productivity-enhancing outcomes. Professor Chung argued that it would also serve to modernise our existing models of work which are largely based on outdated mid-twentieth century norms where traditional households consisted of a sole male breadwinner and a stay-at-home mother responsible for childcare. Today, however, both parents are now expected to take part in bringing up children and therefore have limits to the hours of work they

can do. One participant noted that the four-day week has been common for a number of companies and government agencies in Germany for some time, with parents also encouraged to start and finish their workday early so that they can spend more time with their children. It was pointed out that transitioning to a four-day week can present logistical challenges for organisations and can create additional pressures on staff if not coordinated well. However, it was also claimed that there is no single model of a four-day week and that organisations could explore different options depending on what would work best for their workforce.

Participants also suggested the idea of a basic income policy which linked to discussions from the previous meeting focusing on social protections and the different approaches that could be taken to remove conditionality on benefits. One participant noted that a basic income for young people (citing the example of the basic income pilot in Wales for young people leaving care³) or new families could be used to invest in young people's futures through training and skills development and could help to reduce financial precarity. Others emphasised that people need support and flexibility at different times in their lives and that any policy options should therefore be responsive to people's needs across their life span. Professor Chung noted that new [legislation](#) which came into force in April 2024 has provided a day one right for all workers to request flexible working arrangements, but that a majority of workers are still unable to get the full flexibility they need or are hesitant to request it for fear of negative career outcomes.

Given the important role of employers when considering good work, one participant thought it crucial to consider that the majority of the UK private sector workforce are employed by SMEs⁴ and posed whether it would be possible to learn from examples of where successful SMEs and family businesses have engaged and supported their employees. Participants noted that the levers available to government would be largely limited to tax policies, incentives and shaping the wider regulatory environment but they questioned whether top-down directives would encourage SMEs into better management practices. One participant raised whether government should be providing more incentives for social enterprises which aim to generate both social and economic value simultaneously. Another suggestion included whether government could legislate so that employers would have to compensate workers who do not use up all of their annual leave the financial equivalent of the days not taken, which it was thought might incentivise businesses to encourage their workers to take their full leave allotments. It was noted, however, that this would likely not apply to those in the gig economy, while others raised the potential of causing further harm where workers may be tempted to forego their leave and take the financial compensation instead.

5.6 Measuring good work

Lastly, the discussion touched on how we might improve existing measurements of good work in order to better demonstrate the link with wider societal wellbeing, productivity and economic growth. While the ONS has done some work on job quality, their indicators largely focus on the objective economic aspects (for example, levels of pay and overtime) rather than the human meaning and value of work. It was suggested that the ONS need to update their measures to include these more subjective indicators around the social, health and environmental costs and the level of purpose and fulfilment that people gain from their work, alongside more traditional indicators like pay and working conditions. Factors including agency, employee voice and sense of fairness at work, which it was suggested are all related to both physical and mental health outcomes, were also highlighted. Participants also signposted to other work that has been done on the, including the Taylor Review which examined the long-standing literature around the different dimensions of good work and how to measure it.

6.0 Meeting 6 summary note (Weds 3 July): Investing in the UK and its people: How a socially-embedded economic strategy can enhance national security

Building on ideas discussed in previous sessions around a socially-embedded/pro-social economy framework that emphasises the social systems that underpin our economy, this session sought to explore the intrinsic connections between social, environmental and economic security with national security, and how investment in people's health, education and wellbeing can help to build resilience to security threats at individual, community and national levels.

6.1 Risk, insecurity and disadvantage

The first part of the discussion explored how risk and insecurity can affect wellbeing and disadvantage. In an opening provocation by Professor Jonathan Wolff, he argued that the most vulnerable in societies can face higher levels of risk to maintain their livelihoods; for example, they might have to put their physical health or relationships at risk in order to keep their job or maintain a standard of living for their family.

He thought of this increased exposure to risk as an additional form of disadvantage which can in turn reinforce existing disadvantage that people may experience when they lose their job, suffer from poor health or experience housing or family problems, which can all lead to lower life expectancy. He argued that the goal of government social policy should therefore be to aim to stop these kinds of 'corrosive disadvantages' from forming.¹ Additionally, government should be looking to invest in early literacy and life skills, in order to encourage the development of strong social networks that can lead to better long-term prospects (or what he termed 'fertile functionings', where achievement in one aspect of a person's life is likely to lead to benefits in other aspects of their life).²

He posed that every society has ways of dealing with risk, and that a government that deals well with risk is one that gives its citizens less to worry about when they encounter hardships like losing one's job or getting sick; this underlines the role and value of social security in allowing people more comfort (or the ability to 'comfortably defocus') in facing the risks that they encounter in their lives. Wolff gave the example of the scale of medical bankruptcies every year in the US which is not a problem that people face in the UK.

While industrialisation (and the movement of peoples away from their families and communities into cities) had prompted the development of more comprehensive welfare states, he argued that over the past 30-40 years governments have sought to shoulder less of the burden of protecting people from risk and have shifted more of these responsibilities back onto families and individuals themselves, what Jacob Hacker has termed a 'risk shift'.³

Wolff suggested that capitalism is at its most cohesive when people think about it as little as possible, and that a cohesive capitalist economy is one that allows citizens to 'comfortably defocus', although it was implied that this would need to be underpinned by extensive public services provided by government at local and national levels. Additionally, he noted his recent work which

¹ Wolff, J., de-Shalit, A. (2007), *Disadvantage*, Oxford University Press.

² Wolff, J., De Shalit, A. (2013), *On Fertile Functionings: A Response to Martha Nussbaum*, Journal of Human Development and Capabilities, 14, pp. 161-165.

³ Hacker, J. (2019), *The Great Risk Shift: The New Economic Insecurity and the Decline of the American Dream*, Oxford University Press.

considers the factors that make some cities feel more equal than others, which concludes that more equal cities are the ones in which people can live meaningful lives independent of level of financial resources.⁴

6.2 How social security connects to national security and can enhance societal resilience to shocks

In the following provocation, Professor Peter Taylor-Gooby noted a number of examples from the first half of the twentieth century where social reforms had been prompted by governmental considerations around improving the health, housing and education of would-be soldiers, citing reforms by the Liberal government from 1906 and the 1945 Family Allowance Act. He also pointed out that the NHS had its roots in the [Emergency Hospital Service](#) established during the Second World War, further demonstrating the historic connections between welfare and social reforms and national security considerations. However, he argued that link is less clear today, with the majority of welfare expenditure on older age groups, including on pensions and social care.⁵

Professor Taylor-Gooby argued that social security fulfils a number of functions; at an economic level it can inject more consumption into the economy during times of recession and high unemployment, while at a social level it can help people to meet their needs and live happier lives, making societies more stable. He noted that over the past 75 years there have been striking developments in the nature and structure of the UK's welfare state, largely in response to demographic changes (including an increasingly ageing population, fluctuating numbers of children, and the entry of large numbers of women into formal work) which has led to a huge expansion in the proportion of spending on pensions and healthcare for older people. Additionally, there has been a significant shift towards means-testing, particularly compared to European standards. He argued that this has led to the existing system of social protections which is designed to provide a low level of security in order to incentivise people to pursue work.⁶

He ended by arguing that dynamic social security systems can provide stability during periods of change, enhance individual and community resilience, and enable a society's capacity to cope with risk and meet challenges, citing the example of how governments across Europe spent significant amounts of money supporting businesses and workers during the COVID-19 pandemic (the UK government for example not only introduced its furlough scheme, but also significantly increased the rate of basic benefits and abolished restrictions on claiming benefits). He thought that social security would therefore need to play an important role in how the UK meets its current economic, environmental and demographic challenges, but that policymakers would also need to find ways of addressing the inequalities that may emerge as the system develops.

6.3 The role of government in reducing risk

Participants emphasised this point on the role of social protections in supporting people through the big periods of structural transformation that we are likely to see as a result of the transition to Net Zero and the proliferation and adoption of digital innovations, rather than adopting an approach that will produce winners and losers.

⁴ Wolff, J., de-Shalit, A. (2024), *City of Equals*, Oxford University Press.

⁵ Department for Work and Pensions (2024), [Guidance and methodology: Benefit expenditure and caseload tables](#).

⁶ Timmins, N. (2024), *Why has the UK's social security system become so means-tested?*, Oxford Open Economics, Volume 3, Issue Supplement 1, Pages 1274–1282.

One participant thought that a successful ‘de-risking’ approach would be one that reduces disruption and allows for as much continuity in people’s lives as possible in the face of external shocks. They noted that robust forward-planning by government and resilience measures for both urban and rural places (e.g. relating to temporary shelters and food and water supplies) can enhance resilience at local, regional and national levels, and prevent unforeseen events from becoming full-blown disasters (becoming ‘dull disasters’ instead). It was noted that these measures are critical as the least well-off tend to be disproportionately impacted by rising food prices and external shocks.

Participants considered the types of changes that households will have to make as part of the green transition, and it was noted that changing what cars people drive and how they heat their homes will be expensive to undertake and will be difficult for households that lack savings and financial security. They posed that government will therefore need to be proactive in making it easier for people, and particularly the less well-off, to make the ‘right’ choices. Participants gave the example of electricity tariffs for social tenants, although it was noted that take up has been low due to lack of awareness that such an initiative exists. Additionally, some made the point that people often make decisions for non-economic reasons, meaning that ‘nudges’ by government could not just be purely economic and would need to shape the framework in which people make decisions, rather than just encouraging people to make certain choices.

One participant pointed to the way that the policymakers in the US have linked climate security to their national security through the Inflation Reduction Act (while also noting that this has proved to be politically divisive). While most agreed that governments should be thinking about how they can reduce the insecurity in people’s lives (which one participant thought that government can do at lower cost through risk-pooling), it was put that there are also many instances in the environmental domain in which governments can inadvertently create more risk and shift these onto individuals. However, the UK’s pioneering of the Contract For Difference mechanism was cited as a positive example of government reducing risk to produce positive outcomes, as this helped to shift risk from the private sector to the government, reducing costs for private companies and ultimately reducing the costs of renewables.⁷

The conversation then turned to the role of innovation in enhancing different types of security. A participant highlighted the [example](#) of a government-funded advanced propulsion centre in the UK that brings together different actors to engage in research and innovation to make specific UK sectors more sustainable. It was suggested that scaling up these kinds of initiatives that are delivered by private and not-for-profit actors in collaboration with each other, and supported by government, could contribute to addressing environmental security issues. Another participant pointed to the Canadian [Global Innovation Cluster](#) programme (which requires companies to co-invest 50% of the costs helping to ensure financially sustainable initiatives) as a strong case study in providing incentives for the private sector to address risk.

Additionally, participants raised the importance of political leadership in shaping public attitudes towards, and understanding of, environmental and security issues in order to make the political space for taking meaningful action. It was suggested that social institutions, public education and civil society could have an important role to play in this, although it was noted that the way civil society had been hollowed out in recent years had reduced opportunities for individuals and communities to engage meaningfully at local levels. It was also noted that there are various commissions currently looking at resilience but that these should be strengthened.

⁷ Watson, N., Bolton, P. (2023), [Contracts for Difference](#), House of Commons Library.

6.4 Public trust and engagement in policymaking

Building on discussions in previous sessions around the value of systems-thinking in policymaking, participants posed how governments can be encouraged think about security in a more holistic way and the impacts that 'corrosive disadvantage' can have not just on individuals but on systems as a whole. It was suggested that this would help to enable a longer-term approach to policymaking which would be particularly valuable with regards to social security, with several agreeing that political short-termism had resulted in the insecurity and instability that characterises Universal Credit and our current system of social protections which cannot support people adequately.

Participants moved on to considering ideas around public trust, and it was highlighted that a lack of trust can create more risk in systems. One thought that the lack of strategy from successive governments around the UK's food systems had fostered a lack of trust amongst the most disadvantaged in society. Participants generally agreed on the value of public engagement and developing mechanisms for amplifying and embedding local voices in the policymaking process, as it was argued that people are willing to trust and engage with the policy process more if they think their views will be valued and taken seriously. The example was given of the citizens' juries and assemblies on climate change which, while generally been seen to be valuable, were not embedded in the environmental policymaking process by government which contributed further to public disillusionment and damaged trust.

7.0 Meeting 7 summary note (Weds 11 September): What role can social infrastructure play in supporting people through economic, social and environmental transformations?

Traditional definitions of infrastructure have tended to focus on the nation's physical capital while ignoring social forms of infrastructure that have a substantial impact on people's lives but which governments have consistently undervalued. Expanding on ideas discussed in previous sessions around a socially-embedded/pro-social economy, this session explored the social infrastructure and institutions that underpin our economy. In particular, participants considered how they might form part of a new joined-up economic strategy that can support people and communities through the structural transformations that may be brought about by decarbonisation and the proliferation and adoption of digital innovations like Artificial Intelligence.

7.1 Social enterprise as a distinct form of social infrastructure

The meeting opened with a provocation by Dr Danielle Hutcheon on the role of social enterprises as socially-embedded and socially-innovative local-level 'connecting institutions'. She argued that the value of these organisations is that they prioritise social impact over profit maximisation, are typically rooted in community, and build on existing interpersonal ties within the unique contexts of the places in which they are located, meaning that they can be more responsive to local needs than traditional businesses and can help to help to fill gaps in public services.

She gave the [example](#) of the positive impact of men's sheds in urban areas of Scotland on the health and wellbeing of their often socially-disadvantaged users, and the wider benefits these can have through engagement with the local community (e.g. fundraising for community initiatives) and with organisations across sectors (e.g. local NHS). Despite these benefits, Dr Hutcheon noted that these types of social enterprise often have little interest in upscaling or becoming profit-focused. As another participant pointed out, most do not want to scale up because they do not see that as their purpose; they instead see their role as responding to a specific need in their local area. Policymakers should therefore aim to support those that run these enterprises to access resources and tapping into their existing knowledge, underlining the importance of the people themselves who enable and keep these local organisations, institutions and facilities running.

Additionally, it was pointed out that some forms of social infrastructure can be exclusionary by attracting or deterring certain demographics; women, for example, were encouraged to set up their own spaces rather than use the men's sheds. Relatedly, research has shown that some forms of social infrastructure have been so successful in enabling bonding amongst similar ethnic groups that they have in some cases worsened local racial tensions by inhibiting the mixing of different ethnicities. It is therefore crucial that such spaces enable the brokering of these connections between groups to improve social cohesion.

7.2 The impacts of technological transformation

The discussion then touched on technological transformation which the group has considered in previous meetings, particularly with regards to the potential impacts on jobs and decent work. In a provocation by Heather Cover-Kus, she raised that digital innovations have the capacity to improve public services, address public sector challenges and enhance resilience if deployed effectively by local and central government.

However, others felt that a focus on technology may not be the right lens through which to consider social infrastructure and its ability to support people through big economic, societal and environmental transformations. One participant felt that availability and access to basic public services was a more significant consideration, particularly given the lack of sufficient social investment and investment in public goods and services in recent years.

Another participant agreed, arguing that the most excluded groups in society are the ones that struggle to access some of these basic public services. Digitisation, meanwhile, can exacerbate these disadvantages amongst poorer communities and migrant groups by making access even more difficult and opening themselves up to exploitation. While AI technologies can be a useful tool for a range of purposes, participants also highlighted their limitations and considered whether the hype around these might eventually come to an end.

7.3 The value of socially-regenerative work at the local and community levels

The discussion around social enterprises tied to a follow-up provocation by Professor Neil Stott on the need for a focus on socially-regenerative work at the local level. He highlighted that as a society we will have to think increasingly carefully about what we will need to sacrifice individually and collectively for the climate, and about how we grow the food, produce the goods and provide the services we need to sustain ourselves in an ecologically responsible way ('ecological design'). Professor Stott argued that these kinds of decisions should also be made at the lowest possible point, and people need to be supported to make decisions that are both in their own and the planet's interests.

Underpinning this socially-regenerative model, Professor Stott argued for a framework of collective, effective and calculative solidarity. He particularly emphasised the importance of local and community anchor organisations (such as councils, hospitals, universities etc) that have convening and purchasing power and can support people with heat and food provision. It was suggested that such solidarity and climate sacrifice could be enhanced through a greater focus on the [Inner Development Goals](#) to help build our collective empathy, trust and social cohesion.

A participant stressed the need to consider how public investment in social infrastructure can also help to enable place-making. They felt that currently when new towns are built, developers neglect to build to the surrounding social infrastructure and it can subsequently take time for 'community feeling' to develop. Another participant felt that Sure Start centres had been effective as local organisations as they had a caring role as well as providing support and services that people needed in their local areas.

7.4 Making the case for social value to policymakers

Participants emphasised the importance of making the case for social investment by demonstrating the link between social value, productivity and economic growth given that this is at the top of the government's agenda. Heather Cover-Kus noted in her provocation that social value has been embedded in the public procurement process since the introduction of the Public Services (Social Value) Act 2012, which was strengthened further in 2021 in order to require all major central government procurement to explicitly evaluate social value and wellbeing alongside economic value. It was suggested that these changes and HM Treasury's subsequent updates to the Green Book to reflect this demonstrated at least partial recognition by previous governments of the importance of promoting social value.

However, Cover-Kus pointed out that this process could still be improved. She reflected that many businesses, particularly those in the tech sector, struggle to understand what government are asking for with regards to social value and how to create this in a sustainable, long-lasting way (and there is no guarantee that companies continue to provide social value once they have gained contracts), while departments can often fail to consider what kinds of companies might be well-placed to deliver on. Participants pointed out that social value is defined and perceived differently in different places.

However, [research](#) by Lasana Harris has shown that it is possible to find flexible ways of measuring wellbeing that are responsive to how particular communities understand wellbeing, and it was suggested that the group could emphasise to Treasury that how you perceive, measure and judge concepts like wellbeing therefore does not need to be the same everywhere.

Additionally, it was posed that Treasury may be responsive to arguments about not just the economic value that social investment can produce, but also the range of problems that consistent disinvestment can produce as well, such as a less educated and unhealthier population, reduced social cohesion and greater societal instability, all of which can lead to long-term economic costs. In particular, participants felt that the recent riots have demonstrated the social and economic costs of not investing sufficiently in social cohesion and that we are seeing the consequences of consistently high levels of distrust amongst parts of the public towards government (for failing to provide adequate public services) and other communities. Others though made the point that there is a large difference in how much people trust different parts of government; for example, people tend to have more trust in local government and the local public institutions that they might interact with in their daily lives, even if there is not a high level of understanding as to what the different parts of government do or provide.

7.5 The potential of bringing public, private and third sectors together

A number of participants argued that, given the government's current narratives around spending, the group would also need to consider the role of the private sector in delivering investment or public services that government may be unable to deliver itself. One participant highlighted a range of case studies of social enterprises that have interlinked social, environmental and business value and which have managed to scale up in a financially sustainable way.

While participants agreed that government should not be seeking to build these social enterprises themselves or pushing businesses to change their model businesses, government can play a role in creating the conditions for these initiatives to flourish and in incentivising for-profit and not-for-profit actors (e.g. universities, third sector organisations) to work together alongside communities on projects that can generate business, social and environmental value simultaneously. Another participant highlighted the importance of this kind of experimentation at local and community levels, which they considered social enterprises particularly strong at, in ways that are developed to meet the needs of local contexts. In particular, given that local authorities have been given new statutory responsibilities and less money to do them with, they felt that local government should be empowered to join with businesses and civil society to deliver joint initiatives and growth strategies.

Further reading suggested by participants

- Matthew Agarwala
 - On creating social capital: Sawhill, I. (2020), [Social Capital: Why We Need It and How We Can Create More of It](#), Brookings Institution.
 - On the relationship between social capital (trust) and growth: Algan, Y., Cahuc, P. (2010), [Inherited Trust and Growth](#), American Economic Review, vol. 100, no. 5, December, pp. 2060–92.
 - On the economic returns & recovery from disaster (specifically, Russia's 2014 invasion of Ukraine): Guriev, S., Melnikov, N. (2016), [War, Inflation and Social Capital](#), American Economic Review, Vol. 106, No. 5, May, pp. 230 – 235.
 - IFS analysis for the Deaton review showing that public service spending is *more redistributive* in the UK than the tax system: Ogden, K., Phillips, D. (2023), [The distribution of public service spending](#), IFS Deaton Review of Inequalities; ONS social capital metrics, 2023 release of UK trust in govt data is here: [Trust in government, UK: 2023 \(ONS\)](#)

- Dominic Abrams
 - On the relationship between different types of and the distinction between the intra-group and intergroup levels, and the conditions leading to rivalrous cohesion: Abrams, D. (2010), *Processes of prejudice: Theory, evidence and intervention*, Equalities and Human Rights Commission, Research Report 56.
 - Abrams, D., Vasiljevic, M.D. (2014), *How does macroeconomic change affect social identity (and vice versa)?: Insights from the European context*, *Analysis of Social Issues and Public Policy* 14, 1, 311-338.
 - Lalot, F, Davies, B., Abrams, D. (2020), 'Trust and cohesion in Britain during the 2020 Covid-19 pandemic across place, scale and time', The British Academy.
 - Lalot, F., Heering, M.S., Rullo, M., Travaglino, G. A., Abrams, D. (2022), *The dangers of distrustful complacency: Low concern and low political trust combine to undermine compliance with governmental restrictions in the emerging Covid-19 pandemic*. *Group Processes & Intergroup Relations*, 25(1), 106-121.
- British Academy
 - *Using administrative data to understand community wellbeing* (project as part of British Academy and Nuffield Foundation *Understanding Communities Fund*)
 - The British Academy (2024), *Social and cultural infrastructure for people and policy: Discussion papers*.
- Muthu De Silva
 - Two papers on international social purpose organisations:
 - De Silva, M., Khan, M., Vorley, T., Zeng, J. (2020), *Transcending the pyramid: opportunity co-creation for social innovation*, *Industrial Marketing Management* 89, pp. 471-486.
 - De Silva, M., Al-Tabbaa, O., Khan, Z. (2021), *Business model innovation by international social purpose organizations: the role of dynamic capabilities*, *Journal of Business Research* 125, pp. 733-749.
 - The more interlinked social value to business operations, the more likely businesses are to generate social/environmental value: Del Giudice, M., Khan, Z., De Silva, M., Scuotto, V., Caputo, F., Carayannis, E. (2017), *The microlevel actions undertaken by owner-managers in improving the sustainability practices of cultural and creative small and medium enterprises: a United Kingdom-Italy comparison*, *Journal of Organizational Behavior* 38 (9), pp. 1396-1414.
- Dani Hutcheon
 - Public lecture series which is very fitting with this topic: *Social Economy Today - Social Enterprise Scotland*
- Henrietta Moore
 - Shi, L., He, Z., Shen, C., Tanimoto, J. (2024), *Enhancing social cohesion with cooperative bots in societies of greedy, mobile individuals*, *PNAS Nexus*, Volume 3, Issue 6, June.
 - *Bringing Communities Together Through AI-Driven Urban Planning*.
- Neil Stott
 - Stott, N., Pendlebury, J., Tracey, P. (2024), *Peaceshaping*, *Critical Perspectives on Social Innovation*, No 4. Cambridge Centre for Social Innovation. *Cambridge Peaceshaping and Climate Incubator*.
 - Stott, N., Darlington, M., Tracey, P. (2024), *Climate Organising: A Social-Regenerative Approach*, *Critical Perspectives on Social Innovation*, No 3. Cambridge Centre for Social Innovation.
 - Stott, N., Tracey, P. (2024), *Social Innovation and the UN Sustainable Development Goals: Five Blockages to Progress*, *Critical Perspectives on Social Innovation*, No 1. Cambridge Centre for Social Innovation.