



Welfare Conditionality

SANCTIONS, SUPPORT AND
BEHAVIOUR CHANGE

‘Just about managing’? Exploring the experiences of welfare users at the margins of the UK labour market

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Overview of presentation

- Policy and research context
- Method
- Emerging findings
- Conclusions

Policy and research context

- Increasing policy concern about high levels of “non-standard employment” (NSE) in the UK labour market (Green and Livanos, 2015; May, 2016).
- Those working in NSE are at a higher risk of “in-work poverty” compared to those in ‘standard’ forms of employment (Ray et al, 2014).
- Measures introduced to ‘make work pay’ to compensate for failures in labour market - including the introduction of the NMW, wage supplements (tax credits), National ‘Living Wage’, Universal Credit.
- Distinctions made between ‘voluntary’ and ‘involuntary’ non-standard working practices (Green and Livanos, 2015)

Policy and research context: welfare conditionality

- An increasingly “conditional” welfare system which continues to abide by ‘work first’ principles (Watts et al, 2014)
- ‘Non-standard’ work argued by some to be more favourable to unemployment than remaining unemployed, and can work as a ‘stepping stone’ (Gash, 2008).
- Emphasis on sustained job outcomes in the commissioning of the Work Programme
- Introduction of “in-work” conditionality to welfare claimants, placing responsibilities on individual claimants to increase their earnings or else face financial penalties or “sanctions” (House of Commons Work and Pensions Committee, 2016; Wright et al 2016)

Overview of 'Welfare conditionality: Sanctions, Support and Behaviour Change'

- Five year project (2013-2018) involving six partner Universities (Glasgow, Heriot-Watt, Salford, Sheffield, Sheffield Hallam and York)
- Key aims:
 - To develop an empirically and theoretically informed understanding of the effectiveness and ethicality of welfare conditionality across a range of welfare service areas/groups
 - To create an international and interdisciplinary focal point for research on welfare conditionality
 - To provide a new and wide ranging evidence base to inform future policy and practice

Methods

- Interviews with policy stakeholders (politicians, senior civil servants, campaigning groups, etc)
- Focus groups with frontline workers (employment advisers, housing officers, welfare advice centres)
- Qualitative Longitudinal Research (QLR) with 480 welfare service users across nine English and Scottish cities covering the following groups/policy areas:
 - Jobseekers (JSA and Universal Credit)
 - Lone parents
 - Disabled people
 - Homeless people
 - Social housing tenants
 - People subject to ASBOs and family intervention projects
 - Ex-offenders
 - Migrants

Sample of 'non-standard' workers

- Male (5) Female (14)
- 8 single person households, 11 lone parent households
- Drawn from wider Migrants (6) Lone parents (3) Social tenants (7) Universal Credit (3) samples
- White (16), Black / African / Caribbean (1), Chinese (1), Bangladeshi (1)
- Private tenant (6), Social tenant (11), Hostel/homelessness accommodation (2)
- London (6), Sheffield (2), Peterborough (2), Edinburgh (2), Bristol (3), Manchester (2), Warrington (1), Inverness (1)
- The majority of the participants were employed in service industries (e.g. catering, cleaning, retail).
- Most were working part-time. Several were self-employed, four had multiple jobs. Those who were self-employed had the most variable hours.

Findings: experiences of non-standard work

Findings: Variable experiences of non-standard work

Some of the participants described very much enjoying their work.

- *'I love going to work; it's great. I really do. Don't get me wrong, it is hard sometimes, because you're on your feet all the time... it gets you going, you're interacting with people, your social skills are always adapting, you meet so many different people'* (LO-SJ-026)

However, others described struggling to cope with the high level of insecurity associated with short and variable hours:

- *The agency is kind of like zero hours, you have no rights. If you'd been late, if you'd been ill, whatever happened to you; you can't have holidays if you're working with the agency, and sometimes they, you know, kind of like call, they can call you at any time... when you have no rights, nothing at all, how can you rely on zero hours?* (SH-JM-022)

A number in the sample regularly worked hours above what they were contracted to, but tended to be unconcerned about the reduction in hours that could occur:

- *'I'm permanent and part-time, that's the policy... but you've got overtime...that's my spreadsheet for last week and it was 47 hours last week.'* (PE-JM-035)

Findings: Voluntary NSW?

A significant proportion were in part-time work due to their caring responsibilities or poor health:

'It suits where I am in life. Yes, maybe when he's older I'd like to up the hours' (LO-BW-031)

Extent to which NSW was a matter of choice over constraint varied. Several described wanting to increase their hours of work, however felt unable to do so due to a lack of suitable (and affordable) childcare options.

'I'd like to do more hours, but again I've got the problem with the childcare for the children' (PE-PD-007)

Several described being pressured to take undesirable jobs by the job centre:

'I took a job that wasn't beneficial to me or the children but again I felt I had no option and again I can't make myself unemployed because they won't give me JSA. So I've got to stick at it until I find something else'. (PE-PD-007)

Whilst for the majority, part-time working hours were desired, most wanted more (and more regular) hours than they were currently working.

Findings: changes in labour market position

Findings: Changes in labour market position over 9-12 months

Employment at wave a	Employment at wave b
Manufacturing, part-time (20 hours/week)	Not in paid work - inactive
Support work and fundraising (12 hours/week)	Unemployed
Accounting, family business (16 hours/week)	New job in retail (4 hour contract, variable hours - tends to get 10-12 hours)
Lunch time supervisor (7 hours/week), Translator (zero hours contract)	Working as a carer (not a relative) – receiving Carers' Allowance
Retail assistant (20 hours/week)	No change in employment situation (but off sick)
Printmaker, some cleaning/ decorating (self-employed, variable hours).	About to complete customer service apprenticeship (although no job secured for afterwards)

Findings: Changes in labour market position over 9-12 months

Employment at wave a	Employment at wave b
Recycling plant, separating rubbish (14 hours/week)	No change in employment situation
Freelance personal tutor (variable working hours)	No change in employment situation
Cleaner (Self-employed, variable hours – typically 16 hours a week/week), teaching assistant (4 hours/week)	No change in employment situation
Retail assistant (16 hours/week)	No change in employment situation
Retail assistant (20 hours/week)	No change in employment situation
Interpreter (self-employed, variable hours)	No change in employment situation
Marginally self-employed (I.T consultant)	No change in employment situation
Retail (variable working hours, around 12 hours/week)	No change in employment situation

Findings: Changes in labour market position over 9-12 months

Employment at wave a	Employment at wave b
Postal delivery worker (8 hours contract, typically 40+ hours)	Same job – increased contract hours to 24 (but on average still does around 40 hours/week)
Cleaner (16 hours/week)	Changed job – similar position, increased hours (22 hours/week)
Cleaner (3 jobs – 9 hours/week)	Cleaner (3 jobs – 15 hours/week)
Retail assistant (4 hours/week)	Same job, increased hours - 8 hour contract, plus some overtime. Variable hours (8-16)
Care assistant (22 hours/week)	New job – administration (13 hours/week)

Role of the welfare system – help or hindrance?

In-work financial support highly valued

Additional income provided through tax credits and housing benefit was greatly appreciated.

However, several with fluctuating incomes felt that the tax credit/housing benefit system were not responsive enough to their financial situations

'The thing I struggle most with with housing benefits is that you need to report every single change in your income which when you are self-employed is really difficult...I had a situation when for say a month or two months my income went up so much because I did some overtime. So...I wasn't eligible for housing benefit anymore so they would stop it and then I would need to reapply.' (BR-JM-007)

Reporting requirements placed on the self-employed in order to receive Tax Credits considered too demanding and invasive:

'I have been asked by tax credits to provide evidence of the work I actually do, so they wanted the details of my clients, of all the jobs that I've done - they are being quite cheeky I think.' (BR-JM-007)

Limited in-work support to improve labour market prospects

A lack of in-work support to improve labour market prospects:

'As soon as I get a paid job, they sort of wasn't interested in me anymore' (LO-KJ-004)

Participants described wanting more support from the employment services – and where they were being supported (by family, friends, local job clubs and community organisations), this was highly valued.

Participants felt that the job centre should do a lot more to support people to find more work

'The Jobcentres should be more proactively searching, as in like maybe employers should inform the Jobcentres that they've got positions available, and the Jobcentre should take more responsibility for that.' (LO-PD-002)

Pushing workers away from support?

Respondents felt pressured by the job centre to apply for and take any job, regardless of whether or not the jobs available suited their needs or responsibilities outside of the paid labour market:

'I just felt like they were just pushing, pushing, pushing, pushing you. I had a job. Obviously, I've got to show the employers that if they can give me extra hours, in the first place, I've got to be worth giving them to' (WSU-LO-SJ-026b)

In work-conditionality appears to involve a continuation of this approach

One respondent was threatened with sanctions for failing to demonstrate sufficient job search activity (this was disputed by the respondent).

As a result of this punitive approach, by the time of the second interview, three respondents who had previously been claiming JSA had decided to move off this benefit despite remaining eligible.

'I couldn't wait to get away from the Jobcentre. I mean, they still wanted me to do job searches and look for jobs and do things while I had my job, because it wasn't enough hours for them, so I just completely signed off so they would back off.' (WSU-LO-SJ-026b)

(See Wright et al (2016) for more on Universal Credit wave a analysis)

Conclusions (so far...)

- Large variation in 'voluntary' NSW (often masked by focus on survey data) – whilst most participants were seeking more hours/greater security, most wanted to work part-time
- On the whole, non-standard work is not providing a stepping stone into better quality, better paid work
- No evidence that 'in-work' conditionality is having a positive impact on labour market outcomes
- Need for more, better quality 'in-work' support and greater responsiveness/flexibility around irregular employment patterns
- Overwhelming emphasis on supply side labour market interventions – places blame for poor labour market conditions/insecurity with workers.
- Insufficient attention paid to demand side factors/quality of employment – in particular, there is a need for better quality part-time working opportunities

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