



Conditionality Briefing: Unemployed People

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Benefits and employment services for unemployed people in Britain have always been based on work-related conditions. In recent decades, there has been a change in priority, away from viewing financial support from the state whilst unemployed as a respectable earned entitlement. Instead, policy makers have become mainly concerned with moving people 'off benefits and into work' (DWP 2010a; 2010b) by threatening sanctions (temporary withdrawal of essential benefit income) in order to ensure compliance with particular job search requirements.

Key points

- There has been an increase in requirements to:
 - prove job search activities (by attending interviews with advisers and filling in forms);
 - attend welfare-to-work schemes (e.g. the Work Programme); and
 - take part in work placements (workfare).
- Job-search conditions have been extended to groups - such as ill or disabled people and lone parents, those claiming in-work benefits (tax credits or Universal Credit) and the partners of claimants - who were not previously treated as if they were unemployed.
- People claiming benefits must comply with job search and work-related requirements or face tough financial penalties, of up to three years of benefit withdrawal under Jobseeker's Allowance (JSA) and Universal Credit (UC).
- For-profit private providers have become increasingly involved in delivering employment services (e.g. the Work Programme) to long-term unemployed people, with a range of other public/quasi-public and voluntary sector agencies involved mainly as sub-contractors. Payments are made when clients find 'sustainable' jobs.
- Successive governments since the 1990s have justified financial penalties (sanctions) and compulsory support as necessary to tackle so-called 'welfare dependency'. This has been given renewed importance by the rise of 'austerity politics' placing importance on the reduction of the 'welfare bill' as a key way to reduce the UK's budget deficit.
- Critics argue that the ideas of 'welfare dependency' are myths and see policies based on these notions as ineffective, oppressive, stigmatising, divisive and exclusionary. Welfare-to-work programmes have been found least effective for those with severe or multiple barriers to employment (who are 'parked', whilst the easiest to assist are placed). Opponents have argued that welfare reform has disciplined marginal groups in order to create a flexible labour workforce.

Background

Since the earliest interventions in the late 19th Century, there has been a core concern with restricting access to out of work benefits only to unemployed people seen as ‘deserving’ and actively seeking work. The principle of earned entitlement when involuntarily unemployed was fundamental to unemployment insurance throughout the Twentieth Century (since its introduction in 1911 and at the heart of the post-war welfare state). However, since the late 1990s, there has been a cross-party consensus on both anti-welfare rhetoric and increasing welfare conditionality for unemployed people. Welfare reforms have restricted access to benefits that are harder to claim, of lowering value and more easily lost for non-compliance. This approach has also been incrementally extended to other groups (primarily lone parents and sick or disabled people) who have been redefined as ‘workless’ potential workers, despite their time and capability restrictions.

Key policy developments on enforcement, interventionism and conditionality

Sanctions and compulsory support for unemployed people have developed over three main political eras to become more intense and extended to broader groups.

First, the Conservative governments’ response to mass unemployment in the 1980s was to tighten eligibility to unemployment benefits, introduce the Stricter Benefit Regime and review the social security system. Jobseeker’s Allowance (JSA) was introduced in 1996. JSA has two forms, Income-Based JSA and Contributions-Based JSA, which reduced the period of entitlement (from two years to six months) earned by previous employment and extended means-testing. 16 and 17 year olds lost entitlement (except for discretionary payments in ‘exceptional circumstances’) and the rates of benefit for under 25s were reduced. JSA also introduced pre-specified standardised formats for adviser interviews, with narrowly-defined outcomes and requirements to write back-to-work plans in the Jobseeker’s Agreement and record job seeking activities in Jobsearch Diaries.

Second, the New Labour governments (1997-2010) followed this approach (as part of its Third Way ideology, Giddens 1999), but sought to ‘make work pay’ via minimum wages and tax credits and ‘make work possible’ by providing child care. ‘Work first’ welfare reform was developed with a series of welfare-to-work programmes (New Deals, Employment Zones, and Work-Based Training) for multiple target groups. Support and sanctions systems were also brought together when the Employment Service and Benefits Agency were merged to form Jobcentre Plus in 2001. This was designed to make “a far more active system based on work” (HM Treasury 2001: 27), by making Work Focussed Interviews compulsory for most benefit recipients (including lone parents and ill or disabled people). In 2009, the Flexible New Deal replaced previous programmes and set up a contracted-out system of employment services.

Third, the UK Coalition government (2010–present) introduced two key conditional policies for unemployed people: Universal Credit and the Work Programme (Finn, 2013). Universal Credit (UC) is designed to replace six benefits available to people of working age, with the stated goals of reducing complexity and to ‘make work pay’ (DWP, 2010a and b). UC (due for implementation 2013-17, but delayed by e.g. IT issues and overspending, NAO, 2013) extends job seeking and work-related conditions to previously exempt groups (Dwyer and Wright, 2014; Pennycook and Whittaker, 2012; Royston, 2012). UC claimants will be assigned to different levels of conditionality based on perceived ability and readiness to work; ranging from full conditionality for lone parents and couples with older children, to work preparation for those who are ill or have a disability and no conditionality for those with a disability or serious health condition that prevents them from working. A new feature of Twenty-first Century benefits provision is a strong focus on financial penalties. The UK Coalition Government introduced a tougher benefits regime in October 2012, which has led to a dramatic increase in the use of harsher benefit sanctions (up to three years of disallowance). 4.2% of JSA claimants receive a sanction every month (Webster 2013). The partner policy to UC is the Work Programme (2011-present) that uses a ‘black box’ approach to delivery and a prime contractor / supply change model with payments by results based on a recognition of some groups being more expensive to help than others.

Key arguments for and against conditionality for unemployed people

Proponents of strict sanctions and compulsory support for unemployed people see this approach as a means to tackle so-called ‘welfare dependency’. Recently, the centring of political debate around ‘austerity’ has reinforced arguments to use conditionality to secure savings on public spending. The goal of welfare reform has then been construed as enabling “people along a journey toward financial independence from the state” (DWP, 2010b: 31). In terms of outcomes, Labour’s welfare-to-work programmes were evaluated as successful in assisting more benefit recipients into jobs than would have gained paid employment without the programmes (Hasluck and Green, 2007; NAO, 2007a) with 1.8 million people entering paid work from a New Deal programme between 1998 and 2007 (NAO, 2007b).

Opponents, however, have contended that the idea of ‘welfare dependency’ is largely a myth and that policies based on such myths have negative effects. Evaluation evidence shows that despite the success of the New Deal programmes, the main beneficiaries were unemployed people rather than lone parents and ill or disabled people (Dewson et al., 2007; NAO, 2007a). Work Programme providers have underperformed for JSA clients and have failed to meet the minimum standards for assisting ill or disabled Employment Support Allowance clients into employment (DWP, 2013). Despite being designed to avoid providers ‘creaming’ those easiest to help and ‘parking’ those farthest from the labour market, both continue to be prevalent (Meagre et al., 2013; NAO, 2012;

Newton, et al. 2012). Peck (2001: 6) argued that workfare schemes are “not about creating jobs for people that don’t have them; [they are] about creating workers for jobs that nobody wants”. Similarly, Dean (2012) sees workfare as a means to reinforce the ‘flexibility’ of chronically insecure work that has flourished over the past four decades. Wacquant (2009; 2102) views welfare reforms as a project of neoliberal state-crafting that promotes freedom for the market economy with one hand and adopts a punitive policy regime for marginal groups with the other.

Conclusions

The future stages of this study will enable the further investigation of, and collation of empirical evidence to inform, the key debates highlighted above. These will include assessments of: the differential extent of behaviour intervention experienced by unemployed people across various social groups; the impact of sanctions and compulsory support on lived experiences of being out of work, job seeking and entering employment; testing whether contracted-out support leads to ‘creaming’ and ‘parking’ of recipients; and the ethical concerns raised by policy-makers, front-line staff, and unemployed people in order to justify or dispute conditionality. Additionally, the gradual rolling out of Universal Credit allows an examination of how the intensification and extension of conditionality influences outcomes of those in receipt of it compared to those within the current welfare scheme.

About the Project

Welfare Conditionality: Sanctions, Support and Behaviour Change is a major five year programme of research funded under the Economic and Social Research Council's Centres and Large Grants Scheme, running 2013-2018. The project aims to create an international and interdisciplinary focal point for social science research on welfare conditionality and brings together teams of researchers working in six English and Scottish Universities i.e. University of Glasgow, Heriot-Watt University, University of Salford, Sheffield Hallam University, University of Sheffield and the University of York, which acts as the central hub for this collaborative partnership. Central to our work is a desire to inform international policy and practice through the establishment of an original and comprehensive evidence base on the efficacy and ethicality of conditionality across a range of social policy fields and diverse groups of welfare service users.

For further information about the project please visit www.welfareconditionality.ac.uk or contact the Project Manager, Fleur Hughes on 01904 321299 or email info@welfareconditionality.ac.uk

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