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Redefining 'fit for work': Welfare reform and the introduction of Employment Support Allowance in Great Britain

In common with other advanced economies, Great Britain has experienced a significant growth in recent years in the numbers of people claiming sickness related benefits. The number of working-age recipients of Incapacity Benefit (IB), the main inactive sickness benefit, more than doubled from 1.2 million in 1984 to 2.8 million in 2003, before falling slightly in subsequent years (DWP benefits data). In response to this increase the Government has set a target of reducing the number of people on incapacity by 1 million, by 2015. This has entailed significant changes to the sickness benefit regime. On 27 October 2008, Employment Support Allowance (ESA) was introduced for new claimants to replace Incapacity Benefit and Income Support received on the grounds of incapacity. Existing IB customers are being gradually migrated onto the new benefit from October 2010. The introduction of ESA has involved a number of important changes to the previous regime, including introducing more stringent medical testing which reduces the number of eligible recipients, establishing a new Work-Related Activity Group (WRAG) of claimants who are expected to engage in work-related activity as a precursor to returning to work, and a new sanctions regime for claimants failing to comply. The Welfare Reform Act 2009 creates additional powers for personal advisers, who can require claimants in the WRAG to undertake specific work-related activities. In this presentation we will draw on new survey evidence of more than 3,500 individuals who have claimed ESA since the benefit was introduced, as well as depth interviews with ESA claimants and Pathways to Work personal advisers. The survey includes a large sample of individuals placed within the WRAG, as well as a large number whose claims had been rejected having been found 'fit for work' by the new Work Capability Assessment. In addition to providing detail about the social, economic and health characteristics of claimants more generally, we will focus on two central questions which provide a measure of the effectiveness of the new policy. These are: What are the subsequent experiences of those found 'fit for work'? We will describe the destinations of claimants who have been found 'fit for work', exploring the extent to which they tend to return to employment or go on to claim an alternative benefit (primarily Jobseekers Allowance). For those who have transferred onto another benefit we will describe their employment aspirations and barriers to work. We will also discuss how those found 'fit for work' continue to present their health limitations. What are the employment aspirations and level of engagement of WRAG claimants? Here we will present evidence for the proportion of the Work-Related Activity Group who are looking towards a return for work, describe the group's overall level of attachment to the labour market, how they present their health limitations, and, what other major barriers they face to entering employment. Taken together these questions will provide initial evidence for how ESA is working, and with what results for claimants.