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Money, choice and paid work: Employment and Support Allowance and sick and disabled
people in Britain

Chris Grover and Linda Piggott

8th Annual Conference of ESPAnet

Budapest, September 2010

Contact details:

c.grover@lancaster.ac.uk

l.piggott@lancaster.ac.uk

Abstract

In the midst of an economic crisis the Employment and Support Allowance was introduced as a replacement for benefits for sick and disabled people in the UK. Not only does the ESA involve greater expectations that sick and disabled people will make efforts to (re)enter paid work as soon as is possible, it is also, in the longer term, a less generous benefit than the benefits (Incapacity Benefit and Income Support) it replaced. This paper critically engages with the ESA. In particular, it examines the conceptual basis of the ESA by critically exploring the way in which it is structured by reference to capability, personalisation and choice and the idea that work is good for individuals. The paper argues that taken together the conceptual basis of the ESA pathologises the worklessness of sick and/or disabled people by locating it on the supply side that can be manipulated through reordering the financial and activity structures of ESA compared to IB. The paper concludes by placing the preceding discussion in the context of the current economic crisis and suggests that not only is the ESA problematic for individuals in this context, it is also problematic for crisis where the problem is lack of demand for goods and services.

Introduction

Between 1997 and 2010 New Labour was seemingly tireless in its efforts to ‘reform’ social security policy. One of the last major ‘reforms’ that it introduced was the Employment and Support Allowance (ESA) that was introduced for new claimants in October 2008 as a replacement for the existing Incapacity Benefit (IB) and Income support regime for sick and/or disabled people. In this paper we examine the ESA by focusing, first, upon its detail; the reasons for its introductions and how it was supposed to overcome the perceived deficiencies of the existing IB regime. The focus is upon financial incentives and medical tests. The paper then moves on to discuss the conceptual basis of the ESA by examining the

ideas of capability, personalisation and that paid work is a good choice for the health and well-being of individuals. It is argued that despite being premised upon a conceptual basis that emphasises the empowerment of disabled people, the ESA actually leaves such people with little choice and little control over the employment-related aspects of their lives. If they require state-organised benefits they must in context of the idea that rights have to be balanced against responsibilities, succumb to the will of the state in accepting to (re)enter paid employment for the sake of their own and society's well-being. The paper concludes by placing the introduction of the ESA in the context of the economic crisis that the UK is currently facing. It suggests that there are at least three important relationships between the crisis and the ESA that mean the latter will do little for sick and/or disabled people.

Developing the Employment and Support Allowance

The ESA was announced in the Green paper, *A new deal for welfare: Empowering people to work* (Secretary of State for Work and Pensions, 2006) in a very different economic environment compared to the one in which it was introduced in October 2008. The Green Paper was an extension of New Labour's approach to welfare 'reform' that was initially outlined in its first Green Paper on the subject (Secretary of State for Social Security, 1998); a plan that, it was argued, would produce a system of welfare benefits and services that were 'active' rather than 'passive'. In this context, it was argued that welfare rights would have to be balanced with the responsibilities that would be expected of out-of-work, working age claimants. While there had been changes in the benefit regimes for groups of claimants outside of those traditionally defined as unemployed, by the time a later Green Paper, *New Deal for Welfare: Empowering people to work* (Secretary of State for Work and Pensions, 2006) was published the economic and social problems related with worklessness had become associated with single parents and, most importantly, for our purpose, disabled

people. So, for instance, in the foreword to a *New Deal for Welfare: Empowering people to work* the then Secretary of State for Work and Pensions, John Hutton, (mistakenly) announced that youth unemployment had virtually been eradicated. However, while also noting that the ‘number of people claiming incapacity benefits is falling after decades of rapid increases’ (*ibid.*, p. iv), the Green Paper went on to outline the ESA that would expect more of claimants with health conditions and/or disabilities to make greater efforts to, (re)enter paid work in return for the development of services that were supposed to ‘help’ and ‘support’ them to (re)enter paid work. This would involve ‘...replacing the old one-size-fits-all model, which writes people off as completely incapable of work, with a tailored, active system that addresses each individual’s capacity’ (*ibid.*, p. 6).

This was an important juncture for out-of-work benefits for disabled people, for the strength of the labour market was reflected in the fact – acknowledged, as we have seen, by the Secretary of State for Work and Pensions (2006) – that the number of out-of-work people claiming the then Incapacity Benefit (IB) was falling. For many this might have suggested that the existing benefit regime was doing what it was supposed to; providing for the contingencies that may affect working people (poor health in this instance) who return to work when their condition allows them to do so. However, in the context of a desire to reduce the number of workless households that by 2006 had become a target of increasing the employment rate to 80 per cent (Secretary of State for Work and Pensions, 2006) the structure of IB was held to be deeply flawed. It was argued it allowed too many people to claim it in the first place (the on-flow was too high) and did too little to get them to leave it (the out-flow was not high enough). In brief, IB was held to trap too many people for too long periods of time in a state of worklessness (Grover and Piggott, 2007).

In the case of the on-flow it was argued that the gateway onto IB was ‘poorly managed with claimants receiving incapacity benefits before passing the main medical test’ (Secretary of State for Work and Pensions, 2006, p. 17) and that: ‘Little [was] done to prevent people moving onto incapacity benefits’ (*ibid.*). In the case of the out-flow, the main problem was held to be that over time the amount of IB that claimants received increased. There were, in the words of the DWP (*ibid.*), ‘perverse benefit incentives – paying more the longer people claim’. This, along with a concern that was not enough demanded of IB recipients to plan their return to work, was held to ‘trap people in to a lifetime of dependency’ (*ibid.*).

From the government’s point of view such observations were held to be problematic for several reasons, but particularly because they starved capital of labour. It was noted in a *New deal for welfare. Empowering people to work* (*ibid.*, p. 24), for instance that the proportion of the working age population in receipt of incapacity benefits had more than doubled – from 3 per cent to 7 per cent – between the 1960s and the first decade of the 21st century. By the latter 1:15 workers were in receipt of incapacity benefits (Grover and Piggott, 2007). If such people were to be released to labour for their own and society’s good, then the on-flow and out-flow problems that were held to exist with IB would have to be tackled. The ESA was to do this through a focus upon the amounts of money received from IB and when they were received, second, by toughening and moving the medical test that provided access to it and, third, by requiring claimants to plan and make preparations for their (re)entry to paid work.

Financial incentives

With IB the amount of money claimants received increased over time. There was a short-term, lower rate for the first 28 weeks of a claim, a short-term, higher rate from the 29th to the 52 week and a long-term rate payable after the 52 week. It was a stepped approach that acknowledged the financial difficulties that came with the long-term receipt of out-of-work benefits. However, rather than accepting the importance of IB in this regard, the stepped approach was held by New Labour to be an incentive to remain on IB for long periods of time. In this line of thinking, the situation was exacerbated by the fact that the long-term rate payable after the first year was augmented by age additions (a higher rate for those aged under 35 years on the first day of their incapacity and a lower rate for those aged over 35, but under 45 years of age). The stepped approach, except for an increase after 3 months, was abolished with the introduction of ESA, as were the age additions. Furthermore, in what the government pronounced as an act of emancipation for the partners of ESA claimants, but which was actually an act concerned with placing increased pressure on them to find paid work, the government abolished additions that been available in IB for the partners of sick and disabled people. Providing they were deemed fit enough to work, they would have to claim JSA (Grover and Piggott, 2010).

As noted, there is, beyond annual inflationary increases, one point at which ESA increases. This increase comes after three months, after what is called the 'assessment phase' when the 'basic' ESA is paid to claimants at a level that is equivalent to the 'adult rate' of JSA. The amount by which it increases after three months is dependent upon judgement made about the capability of claimants to make preparations for their (re)entry into paid work. For those ESA claimants over the age of 25 (the majority) this means that there is no financial incentive for people to move from JSA to ESA in a move that designed was to address a fear,

although there was little evidence of it occurring, that unemployed people were choosing to move from JSA to IB because the latter was paid at a greater rate and did not demand of the claimants the need to be available for and actively seeking paid work.

Grover and Piggott (2010) note that because of the complexities of people's financial lives it is difficult to work out exactly what the effects of these changes might be. However, in typical cases, many people who receive ESA will be worse off than had the IB regime still been in place. This is particularly so in the case of longer-term ESA claimants, younger ones and those with a partner or spouse (*ibid.*).

Medical tests

We have seen that IB was held to be problematic because the medical tests that controlled access to it were not at the start of the claim. This was disingenuous because the Own Occupation Test (OOT) of IB covered the first 28 weeks of incapacity. After that claimants had to undergo the Personal Capability Assessment (PCA). What was problematic for the government was that the OOT was a test that was satisfied by the production of a medical certificate completed by the claimant's GP, while the PCA was carried out by a doctor employed by a private sector contractor (Atos Origin) contracted by the DWP to do them (see NACAB, 2006). The latter was held to be more 'objective' because it was carried out by a doctor divorced from the patient- GP relationship.

In the ESA the OOT and the PCA have been replaced by the Work Capability Assessment (WCA). The WCA deals with the problems that were held to exist with the tests under IB by, first, unlike the OOT of IB, being dependent upon judgements of individuals' GPs, but a doctor contracted to Atos Healthcare, the private sector company contracted to

deliver the WCA. This removed the concern that the GPs in issuing medical certificates to satisfy the OOT were doing so, not on the basis of functional (in)capability, but on the basis of wider economic (for example, the employment opportunities in a particular area) and social (for instance, to preserve the doctor/patient relationships) reasons (Grover and Piggott, 2010).

The WCA was also made more difficult to pass compared to the PCA of IB. This was done by 'combining some activities, deleting the lower scoring descriptions altogether and allocating fewer points to many of the measures of disability' (Messere and Stenger, 2007, p. 330). In tests prior to the introduction of the WCA it was estimated that a half of all applicant who underwent it would fail it (Henderson, 2007). This represented an increase of a third over the previous PCA (Grover and Piggott, 2010). However, since its introduction the WCA has been even more successful in declaring people capable for work; two thirds (66 per cent) of applicants to the ESA have, after taking the WCA, been declared fit for work (DWP, 2010a). The government have acknowledged that this is higher than anticipated, but suggests that 'it may still be in keeping with changed attitudes towards health, disability, and capability for work; focusing on what people can do, rather than what they cannot' (DWP, 2010b, para. 8). It also argued (DWP. 2009, p. 16) through an internal review of the WCA that it 'was performing according to design. The descriptors used in the WCA were indeed reliably identifying individuals according to capacity'. Such claims undoubtedly over-estimate the influence of the introduction of a welfare measure that affects only a small number of claimants and has not been in place for a very long period of time. It also overstates the focus of the WCA that, while constructed through New Labour hyperbole about being focused upon what people could do, is actually premised on people being unable to do

certain physical or mental tasks¹. In contrast, the higher than expected refusal rate is arguably a reflection of what it is supposed to do; to prevent more people from claiming income replacement benefits for sick and/or disabled people compared to the earlier tests and concerns expressed by many organisations that the WCA does not fully take into account the condition of applicants, particularly those with variable conditions (Macmillan, 2010; MIND, 2010; NACAB, 2010). In 2010 there was a call for evidence regarding the operation of the WCA. While it demonstrates concern with those people with fluctuating conditions, its questions do not address the issue of the higher than expected refusal rates (DWP, 2010b).

The second part of the WCA sorts the third of applicants who successful prove that they are not capable of working, into two groups; a support group, the members of which are not expected to engage with mandated activities to prepare them for (re)entry into paid employment because they are so ‘severely disabled’ (DWP, 2009, p. 8), and a work-related activity group (WRAG), the members of which are deemed capable of engaging with such activities. People in the WRAG receive less weekly ESA than those in the support group and they have to engage with various work-related activities. Initially, this involved five Work Focused Interviews (WFIs) and the agreement of an action plan with their personal adviser. However, following the Welfare Reform Act 2009 personal assistants can mandate ESA claimants to do activities that ‘might include... work tasters, improving employability, job search assistance, and stabilising life and in some circumstances, managing health in work’ (DWP, 2009, para. 290). As the government desired prior to the introduction of the ESA the majority of its claimants are placed in the WRAG (24 per cent of those people completing the WCA), while the minority (10 percent of those people completing the WCA) are placed in

¹ The tests for passing the two elements of the WCA can be accessed at: http://www.opsi.gov.uk/si/si2008/uksi_20080794_en_15#sch2 (accessed 9 August 2010) for the capability for work test and http://www.opsi.gov.uk/si/si2008/uksi_20080794_en_17#sch3 for the capability for work related activity test.

the support group (DWP, 2010a). In other words, about 7 in 10 (71 per cent) of people successfully claiming ESA are placed in the WRAG and about 3 in 10 (29 per cent) of such people are placed in support group (*ibid.*).

Welfare punitivism: capability, personalisation and the ESA

In the previous section we outlined the ESA. We saw that central to it was a focus upon the capability of ESA claimants to labour and how the ESA is a mechanism concerned with sorting those claimants declaring a health condition into the those who are and who are not deemed capable of working, and of the latter, into those capable of engaging with activities to enhance their chances of returning to paid work and those not capable of engaging with such activities. In this section we focus upon two concepts – capability and personalisation – that are central to the ESA. They are linked because while personalisation is the aim, capability is the means of personalising interventions which it is hoped will lead to eventual employment of those sick and/or disabled people.

Capability

As we have seen, capability is central to the WCA that is designed to decide in an administrative sense whether applicants are capable of working or not. What this means is that contrary to claims of a social model-type understanding of disability in government discussions of relationships between ill health and impairment and paid work, access to the ESA is conceptualised in wholly medicalised terms.

Such approaches are not only used in the UK. The WHO, for example, employs a hierarchy of classifications for disability which encompass body functions and structures, activities and participation, and environmental factors which can be recorded as being either

barriers to or facilitators of a person's functioning. Loss of functional ability has been a criterion for social benefits in several European countries. As part of this policy models based on a biopsychosocial approach are increasingly used. These focus on the individuals' ability to function within their environment and on their work ability (Krohne and Brage, 2008). Classifications which are used in assessing body function, participation and environmental factors which may be a barrier to, or facilitate functioning place an emphasis on the person's abilities and do not refer to capabilities in the sense of explaining or facilitating aspirations. Biopsychosocial approaches, in other words, place responsibility on the individual to engage with income maintenance systems on their terms. Hence, in the ESA capability is connected to medically defined individual capability and incapability, rather than structurally defined capabilities and inabilities.

These observations are important because, first, rather than being located in wholly medical factors the decision to claim income replacement disability benefits is, in addition to health-related factor, also related to labour market opportunities, access to health care and the influence of friends and families (Kemp and Davidson, 2007). In this context, it could be argued that merely focusing upon medicalised notions of capability is reductionist and punitive, for it does not take into account factors beyond the health of the individual to determine whether or not they are in need. Second, there are never administratively easy ways of deciding who should receive what benefits, but in the case of the ESA it is clear that judgements about functional capability are problematic. This is indicated by 'reports of rushed assessments, assumptions being made without exploration, inaccurate recording and poor recognition of mental health problems' (NACAB, 2010, p. 3) and the fact that a third of people who have been declared fit for work as a consequence of completing the WCA appeal against the decision and 40 per cent of these are successful in their appeal (DWP, 2010). Such

issues have led to calls for the reintroduction of certain categories of exemption from the WCA, as indeed, there was under the previous IB. However, not only would such a development go against the general thrust of the ESA which, as we have seen, is that no disabled person should, without a medical examination, be considered as incapable of work, it would also be at odds with the social model of disability that sees economic and social structures as disabling, rather than any condition that the individual might have.

However, conceptualising capability in medico-individualised terms is not the only way of conceptualising it. Alternative understandings of capability are offered by Sen (1985) and encompass the assessment of human functioning as a person's freedom to choose between different ways of living achieved by the person taking control of her or his life rather than being the victim of economic or personal circumstances. This takes issue with the idea that the economy should shape a person's capabilities – that is what he or she is allowed to do – and/or that the demand for economic accountability from the state should shape a person's life. For Sen, well-being is not determined by the ability to work, but by the ability to set personal goals and make personal choices which are independent of commodities or incomes. As Dean (2009) suggests, capabilities are not the same as abilities; they should include recognition of a person's freedom to lead the kind of life they value.

Such an approach would be more aligned with the social model of disability, but it is not reflected in the treatment of the majority of ESA claimants who have very little choice but to engage with paid work or at least to make preparations for it. For them, the choice not to engage comes at a heavy financial cost as ESA is sanctioned through non-engagement with its mandatory aspects. Real choice is only available to the minority of claimants, those in the ESA's support group judged to be so functionally incapable that they are unlikely to be able

to work and who, within the economic constraints of benefit receipt and possible direct payments are allowed to choose whether or not they engage in activities that may help them into paid work, or whether they live lives outside of paid work altogether. However, Burton and Kegan's (2006) observations on the *Valuing People* policy are equally applicable; that the 'dependency' of those people sorted into the support groups assumes a lack of economic worth attached to those people who are placed in it. In this sense, policies that are designed to 'help' and 'support' disabled people may be felt, for various reasons to be exclusionary rather than inclusionary, thereby underlining the fact that as a concept, the social inclusion of some depends on social exclusion of others, but also that inclusion depends on economic worth.

Personalisation

Drawing upon Williams (1975) Ferguson (2007), argues that 'personalisation', like 'community', is a 'warmly persuasive word' structuring recent social policies (his focus is upon social work) that, first, is 'capable of incorporating multiple meanings' (*ibid.*, p. 388) and, second, that is "overwhelmingly positive and [is]... therefore very hard to be 'against'" (*ibid.*). In many senses, the two are linked. Indeed, it is difficult to oppose those versions that are held out to be positive for service users and, given the political nature of social policy making, even if the version being incorporated is not particularly positive for service users, particularly those held to be 'undeserving', they may be supported by important political constituents.

Cribb and Owens (2010) observe that conceptually personalisation encompasses a plurality of models that range from a version concerned with allowing people to identify their basic needs through to one that allows an individual to choose the life they wish to lead. However, while conceptually at least personalisation can cover a range of scenarios, the

predominant model that has come to structure several policy areas (see Needham, 2010) is the idea that personalisation is concerned with increasing the participation of service users in the interventions that they are subject to.

While it is always difficult to trace the intellectual antecedents of ideas in social policy, it would appear that in the UK the work of Leadbetter (2004) has been particularly influential (see Ferguson, 2007). For Leadbetter (2004), personalisation was to come through participation. What he meant by this was the development of ‘customer’ friendly services in health and education that would mean people would have more say in delivery, more say on spending, more participation in the design of services, and in developing self-organised solutions. In this context, personalisation promoted the idea of empowerment and control on the part of service users, an idea that was visible in New Labour policy documents and developments. For example, personalisation was introduced into services for learning disabled people in *Valuing People* through the introduction of person centred planning. Robertson *et al.* (2005) saw this form of personalisation as supporting the principles of rights, independence, choice and inclusion, as a means by which ‘people, their families, professionals and service managers could discover what is important to people with learning disabilities as a basis for action’ (*ibid.*, p. 2).

In the case of those people claiming incapacity benefits this is just one meaning attached to the concept of personalisation: ‘We will increase personalised support for those out of work and embed the idea that clients themselves should help to define and jointly own their individual return-to-work plan’ (Secretary of State for Work and Pensions, 2008, para. 1.20). However, the main way in which personalisation is used relates to the ‘support and conditions to help [people] get back to work’ (*ibid.*, para. 2). In this context, personalisation

is represented as being in contrast to the previous perceived approach by not ‘treating claimants according to the group they are in’ (*ibid.*, p. 8) and ‘tailor[ing] support to meet the needs of the individual’ (*ibid.*, para. 3.18). Consistent with the notion of rights and responsibilities agenda, the development of such personalised services is to be accompanied by greater responsibilities; a system of personalised conditionality (Gregg, 2008, Secretary of State for Work and Pensions, 2008). Personalised ‘support’ and personalised conditionality is to ‘be based on a clear bargain that almost everyone on benefits would be expected to take active steps toward work, but where those expectations are based on an individuals’ needs and circumstances’ (Secretary of State for Work and Pensions, 2008, para. 26). The price that individuals have to pay for personalised services is, if they are not adjudged to be fully co-operative with ‘their’ plans to (re)enter paid work is personalised financial punishments. In brief, the personalisation of employment-related services is underpinned by behavioural economics that assumes that benefit claimants respond rationally to fiscal stimuli. There is clearly a tension here between, on the one hand, a focus upon personalised – or individualised services – and, on the other hand, the utilitarianism of behavioural economics. Furthermore, Ferguson’s (2007) observation that personalisation often ignores economic and social factors is also particularly relevant to disabled people because the social model focuses upon support for independent living as a right, on social systems that are disabling and on the need for social structures to change (Barnes, 2000). Despite the location of the ESA in discourses of ‘support’ and ‘help’ its main provisions are, as we have seen, structured by conditionality, it utilised a medicalised understanding of capability, and supports the supply side of the labour market (RADAR, 2007). The disability movement’s concern that it is society’s structures that are disabling are in little evidence and, in fact, the ESA is premised upon the demand that sick and disabled people be economically active and, therefore, are able to compete with able-bodied people. The consequence is the disabling of people with impairments and health

conditions, rather than enabling them. Given the evidence of the importance of the strength of local labour markets in determining the employment of disabled people (Beatty and Fothergill, 2002; Beatty, Fothergill and Macmillan, 2000), this is particularly the case during a period of economic crisis.

Work is good?

It is now widely recognised that in policy terms there are strong economic and moral arguments for ensuring that workless people compete for, and take, paid employment. For the main political parties in the UK, for instance, the effects of the reserve army of labour are important for ensuring that home grown inflationary pressures are kept in check (Grover and Stewart, 2002; Grover and Piggott, 2005; Piggott and Grover, 2009) and being paid work is held to be an expression of personal responsibility and duty (Dean 2007). However, an even more recent argument used to justify the push to get more people into paid work and one that has framed the ESA in particular, is the claim that paid work is good for the health and well-being of individuals (for example, Secretary of State for Work and Pensions, 2006, 2008a, 2008b). In the UK such arguments were the consequence of a cross-department (DWP, Department of Health and Health and Safety Executive) initiative, *Health, Work and Well-being*, that aimed:

...to break the link between ill health and inactivity, to advance the prevention of ill health and injury, to encourage good management of occupational health, and to transform the opportunities for people to recover from illness while at work, maintaining their independence and their sense of worth (DWP *et al.*, 2005, p. 2).

As part of the initiative a review of research into relationships between paid work and health and well-being was commissioned, the results of which were published the following year (Waddell and Burton, 2006). This research went beyond what Waddell and Burton (*ibid.*, p. 2) described as ‘traditional approaches’ to occupational health and safety that ‘view work as a potential hazard and [which] emphasise the adverse effects of work on health, and of ill health on capacity for work’, to also consider the positive effects of work and to compare both the negative and positive aspects of being in paid work with being out of work. The message that the government took from this research was ‘that work is generally good for people’s well-being’ (Secretary of State for Work and Pensions, 2008b, para. 17). While Waddell and Burton’s report does conclude this, their findings were not as equivocal as the government suggested. They noted, for instance, three main provisos:

1. The findings are about average or group effects and should apply to most people to a greater or lesser extent; however, a minority of people may experience contrary health effects from work(lessness);
2. Beneficial health effects depend upon the nature and quality of work (though there is insufficient evidence to define the physical and psychological characteristics of jobs and workplaces that are ‘good’ for health);
3. The social context must be taken into account, particularly social gradients in health and regional deprivations. (Waddell and Burton, 2006, p. ix)

These provisos are particularly important for understanding the relationship between paid work, the ESA and health and wellbeing, for those people who have recourse to the ESA tend to be disadvantaged in labour markets because they are people who tend to be in non-standard or ‘bad jobs’ that are denoted by poor terms and conditions, such as low pay, little

access to sick pay and occupational pensions and with no ‘recognised career or promotion ladder’ (Davidson and Kemp, 2008, p. 225; see also Kemp and Davidson, 2010). In brief, the types of employment that ESA claimants tend to come from are those to which the above provisos above are more likely to be associated with. Therefore, the employment of ESA claimants is more likely to be associated with health diswelfares, rather than the positive aspects of paid work as described by Waddell and Burton (2006). Furthermore, those people who come from such employment are more likely to lose their job on becoming ill and, therefore, if their condition improves to such an extent that they are able to return to work, they often have to do it from JSA, rather than re-entering the employment they left because of their condition. This means that they have good chance of entering the sort of employment – low paid, casualised and with poor conditions – that they lost on becoming ill, for the churning of people between JSA and casual employment is significant. So, for example, in the year between July 2003 and June 2004 a majority (54 per cent) of people claiming JSA were repeat claimants (Carpenter, 2006), mainly because the only job they could find was temporary. The problem with this, as Carpenter (*ibid.*, p. 2) notes, is that ‘a pattern of temporary work prevents individuals from gaining sustained employment, and from obtaining the benefits (training, salary increase or promotion) that accompany permanent jobs’. Hence, Kemp and Davidson (2010, p. 218) argue that “for people in poor health working on the margins of the labour market, sickness is an extra dimension to the ‘low pay, no pay’ job cycle described by labour market economists’. This is because while the JSA regime may help to get people into paid work, it is less successful in tackling longer-term issues such as skills, employability and financial independence’ (Carpenter, 2006, p. 2).

The point is that the research used, at least in part, to justify the introduction of ESA is hedged with caveats that are most applicable to ESA claimants. On average, they are likely

to live in households that have below average income, they are likely to have been paid below average wages and, on average, they are more likely to have been in employment that, in addition to low wages, holds out little in terms of conditions of employment and progression in employment. Hence, it is possible to argue that the government's overly optimistic reading of the literature framing relationships between paid work and health and well-being has been used to help frame a policy that may in the longer terms be as problematic for health and well-being of sick and/or disabled as the policy (IB) that is replaced is held to be. Because of the caveats of the work and health and well-being literature it is not clear that the ESA will help to improve health and increase well-being by returning people to jobs characterised by the very factors that helped to shape their need to claim ESA in the first place. Hence, it is possible that the operation of the ESA will become another means of recycling or churning income poor working people between periods of paid employment and worklessness. While policy makers may be pleased by this as it demonstrates the potential of 'welfare-to-work' schemes to reduce what they perceived as detachment from labour markets (c.f. Finn, 2003), it actually does little for sick and disabled people.

Conclusion: economic crisis, social (in)security and ESA

As we have noted, the ESA was announced in very different economic circumstances to those in which it was introduced. In the former, the belief was that unemployment had been dealt with as an economic and social dilemma and the focus had shifted to worklessness among those claimant groups not officially defined as unemployed. Moreover, the government seemed to be convinced of its economic discourse; that it had abolished the boom and bust of the economic cycle. A decade of economic growth had helped to convince it that it would continue relentlessly into the future. However, such a belief, and the economic

transactions that went with it (notably over-indebtedness), that were partly responsible for the ‘credit crunch’ that began in 2007 and which led to five quarters of economic contraction in the UK, the consequences of which are being and will be felt well into the medium term.

There are arguably several relationships between the current economic crisis and ESA. First, despite the fact that the current economic crisis highlights the importance of demand-side factors in explaining high levels of unemployment and worklessness, ESA is essentially a supply-side mechanism that through a focus upon the functional capabilities and the alleged lack of aspirations of sick and/or disabled people seeks to *make them* more employable. However, it was the case that during the economic crisis it was felt that what was needed in terms of welfare ‘reform’ was essentially a continued focus upon the supply side that would prepare people for jobs if and when they became available. So, for instance, it was argued by the then Secretary of State for Work and Pensions (2008b, p. 7), James Purnell, that:

Some people say we should slow down welfare reform because we are entering a recession. The Government believes that we should do the opposite – we should increase the pace, because that means offering more support to people and matching it with the expectation that they should not fall out of touch with the world of work.

The consequence is that the predominant explanation of worklessness continues to focus upon the individual in what might be described as a ‘victim blaming discourse’; people are not in work because they do not have character or behavioural traits that it is thought employers want, and/or the skills or capabilities that they want. Hence, pressure must be brought to bear to change those personal ‘deficiencies’. This means that the current direction

of welfare 'reform' is inherently disabling because few questions are asked of the attitudes and practices of capitalist enterprises to employing sick and/or disabled people.

Second, the fact that compared to the previous IB regime, the ESA will impoverish disabled claimants is also deeply problematic in the context of explanations of the current economic crisis. While the role of the inability of income poor people to repay their credit commitments in the current economic crisis is well known (Crouch, 2008a, 2008b, Gamble, 2010, Lansley, 2010), the explanations for this are less often discussed; they are often located in the alleged profligacy of income poor people. However, Lansley (2010) argues that over the past three or so decades there has been a 'wage squeeze' whereby the amount of Gross Domestic Product (GDP) taken up as wages has fallen from approximately two-thirds (64.5 per cent) in 1975 to about a half (53.2 per cent) in 2008. This trend, he argues, has been exacerbated by an increasing concentration of earnings at the top of the wage distribution. In other words, the earnings of those in the lowest and moderately paid jobs have risen at a much slower pace than the wages of those people in better paid employment. Lansley argues that because their incomes have been squeezed income poor people have needed to access credit that 'propped up the sustained boom of the post-millennium years' (Lansley, 2010, p, 3). The general thrust of his work – that for economic stability there needs to be greater income equality – is equally, if not more, applicable to those people who are not in paid work. However, the income trend of the ESA is the opposite to this; it will help to increase inequality because its recipients will, in the future, receive less than they would have done under the previous benefit regime, something that may be exacerbated further in the future as the newly constructed Conservative/Liberal Democratic coalition government seeks to find massive savings in public spending. It has already been announced, for instance, that the way in which benefits are to be up rated will in the future be based upon a less generous

measure of inflation (the Consumer Prices Index (CPI), rather than versions of the Retail Price Index (RPI)). The consequence is that it is estimated that the basic component of ESA will be £73.25 per week in 2015/16, rather than £75.80 as it would have been had it continued to rise in line the Rossi measure of the RPI (Minister for Pensions, Steve Webb, Hansard, 2010).

Third, and related, the extension of compulsion that ESA involves is disturbing during the economic crisis. As we have seen, it is aimed at deterring people from claiming in the first place, thereby reducing in-flow to it and to force them to leave as soon as possible, thereby increasing out-flow. However, the net result – having little choice but to engage in paid work and attempts to (re)entre it – is the same whether through disincentives to claim or incentives to end claiming, and it is contradistinction to choice and empowerment that was embodied in the personalisation discourse. The opportunities for putting greater pressure on people to leave ESA in particular are likely to increase as the evidence suggests less out-flow and longer duration of incapacity benefit claims during periods of rising unemployment, rather than increased inflow (Anyadike-Danes and McVicar, 2008). The result is a punitive system which does little to empower individuals to make the choices that they want to and which does less than before in economically protecting the income poorest people in. In contrast: ‘Tightening initial eligibility conditions, especially in recession, may not just be politically unpopular but also genuinely impose hardship on individuals who, for one reason or another, find it hard to find a job’ (Benítez-Silva, *et al.* 2009, p. 41).

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