WORK MATTERS

Work, Worklessness and Communities – A review of the issues

Alex Collis, Neil Stott, Richard Crozier and Kate Martin
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By Alex Collis, Neil Stott, Richard Crozier and Kate Martin

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Foreword

Work Matters marks the start of research and practical action on work and ‘worklessness’ in communities with many challenges. It began out of increasing concerns about how work was changing and the impact of ‘worklessness’ on the many people Keystone Development Trust and Flagship Group supports in various capacities. The project aims to listen and learn, inform and act.

While focused on one town, the research will resonate with many places across the UK. This review of the issues is intended to inform, generate debate and ideas to make a difference.

I welcome comment, ideas as well as examples of projects making a difference at the local level; in particular third sector solutions and innovative third, public and/or private sector alliances to tackle the issues highlighted.

Work Matters has captured the imaginations of many participants; the writing and research team, Thetford Work’s project staff from Keystone, Flagship Group and Breckland Council and the Housing Action Charity (Hact).

I would like to thank our partner, Flagship Group, and the funder Hact, through the Together for Communities programme in particular.

Neil Stott
Keystone Development Trust
About Keystone Development Trust Publications

The Keystone Development Trust Publications series is aimed at understanding issues in challenging policy areas that have a direct impact on communities and promoting dialogue amongst practitioners, policy makers and academics. Keystone Publications are intended to be thought provoking interventions in policy debates, as well as reporting on primary research. The publications are co-authored by academics and practitioners, often with the support of volunteer researchers and editorial assistants.

Migrant workers, housing and growth in the Eastern region (2008) highlighted the issues around housing and migration as well as reporting on primary research with European migrants. Workers on the Move 2 (2009) focused on European migrants and health and provided a review of what is known about migrant health issues in the UK as well as home countries health systems and issues. Learning from the Past (2009) concentrated on community building in new towns and communities. Workers on the Move 3 (2010) reported on primary health related research with migrants. The Big Society Challenge (2011) brought 22 authors together to discuss the implications of the idea. All publications are available at www.keystonetrust.org.uk

The publications are produced by Keystone Development Trust, which delivers diverse social projects through generating income from its own not for profit social enterprises as well as public and other funds. Keystone is a community regeneration charity.

Keystone aims to deliver projects which fill local people with passion, keep money in their pockets and create great places to live. The Trust aims to deliver;

- **Work** and preparation for work
- **Fun**
- community led **homes**
- **Extra help** for those in the greatest need
CHAPTER 1: Executive Summary

Work Matters. Work, or the lack of it, has major implications for the health and wealth of both individuals and places. For better or worse, work frames our lives and our communities and provides status, identity and self esteem – but some people and places get left behind.

Work and worklessness are not new issues, and have been the target of numerous policy initiatives and public cash. However, the recent recession and subsequent programmes of economic restructuring and public spending cuts are bringing new challenges.

Purpose

Work Matters will look at the main issues around work and worklessness in the 21st century, such as low pay and in-work poverty, and at the challenges facing key groups within the work force such as young people, older workers, disabled people and lone parents. There is evidence to suggest that many of these groups will be further disadvantaged in terms of work by living in a socio-economically deprived area – for example, informal social networks have been shown to be particularly valuable in accessing job opportunities but if an individual’s networks mainly consist of other economically inactive people, then their value decreases.

Issues

Despite the emphasis placed on paid work, this is often part-time, insecure, low-paid and low status work on the margins of the labour market. For many individuals, families and communities, ‘entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed’\(^1\). Particular groups are significantly more likely to experience in-work poverty, particularly families with children, who can face double the risk of poverty. There is also a high degree of ‘churn’ or ‘cycling’ between work and unemployment, described by some as the low pay/no pay cycle. This is becoming an ‘endemic problem’ in the UK, mostly as a result of the recession and can lead to recurrent poverty\(^2\). Consequently, many individuals, families and communities are ‘merely bumping along the runway and never taking off’\(^3\).

There has been a marked decline in the youth labour market over recent years. As the Prince’s Trust has noted, ‘it is no secret that young people have borne the brunt of this recession. One in five are now struggling to find a job - the highest figure on record’\(^4\). Those from families and communities with a history of worklessness can be particularly affected. In a survey of over 2000 young adults (18 to 24 year olds), the Prince’s Trust found that 70% of those from workless households were struggling to find a job\(^5\) while 25% said that their parents did not have the necessary knowledge or access to networks to help them find work.

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\(^3\) Goulden 2010, pp. 3

\(^4\) Prince’s Trust and Citi Foundation (2010) Britain’s Lost Talent? London: Prince’s Trust, pp. 2

\(^5\) Prince’s Trust (2010a) Destined for the dole? Breaking the cycle of worklessness in the UK. London: Prince’s Trust
Research has also shown that people aged between 50 and the state pension age are much less likely to be working - across Europe, the employment rate for 55 to 64 year olds has continued to grow from 36.9% in 2002 to 46.0% in 2009, but remains significantly lower than for younger age groups. Those who lose their jobs are likely to experience greater difficulty in finding a new one – people under pension age who became unemployed in 2002/03 were ten times less likely to be working in 2004/05.

Although employment rates among disabled people have been steadily increasing, there is still plenty of evidence which shows that many disabled people experience particular challenges in accessing and sustaining paid work. For example, research has found that one in three disabled people who found paid work became unemployed again within a year, compared with one in five non-disabled people. Even where disabled people are in paid work, there is ‘clear evidence of vertical and horizontal segregation’; there are fewer disabled people in professional and managerial roles with the majority concentrated in semi- and unskilled occupations at the lower end of the labour market.

Levels of economic inactivity are higher among lone parents; in the second quarter of 2009, roughly two out of five lone parents (42.7%) were not working, in full-time education or training or actively seeking work compared with approximately one in four (26.2%) of other family types. Despite an overall rise in employment rates, more lone parents are looking for and unable to find paid work compared with other family types. It is difficult for many lone parents to reconcile their caring role (informal work) with paid work and there is a ‘continued lack of jobs which allow them to be there for their children when then need them’.

The current political emphasis on paid employment fails to recognise the major barriers faced by these groups when moving from benefits into work. One of the main criticisms of the previous government’s approach, besides the persistent targeting of workless individuals and communities, is their continued privileging of paid work while devaluing non-marketised activity or informal work such as caring. Roughly 30% of those defined as ‘economically inactive’, and therefore explicitly targeted by New Labour policies, are carers. The economic value of informal work is considerable; for instance, it has been estimated that carers save £67 billion annually on the cost of formal service provision. Nonetheless, there is a general lack of support for those who chose to combine their caring role with paid work, and working carers experience significantly higher levels of poverty.

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7 Trades Union Congress (2009) Older workers and the recession: Taking account of the long-term consequences. London:
9 Barnes and Mercer 2005, pp. 534
These issues have taken on a new urgency in light of the recent recession. Although the overall rise in unemployment levels has been lower than expected, experts are concerned that the recent economic downturn appears to have had a wider, cross-sectoral impact compared with previous recessions, and also that it is disproportionately affecting younger workers, and those in higher skilled jobs - which could lead to a ‘glut’ of jobseekers with high level skills (and high expectations)\(^{14}\), as well as increased competition at the lower end of the labour market.

The coalition government appears equally concerned with issues of work and worklessness; the foreword to their recent consultation on welfare reform concluded with a clear message that their aim is to ‘end the culture of worklessness and dependency that has done so much harm to individuals, families and whole communities … [and to] change forever a system that has too often undermined work and the aspiration that goes with it.’\(^{15}\). Ministers have proposed a number of reforms to the benefits system, such as a tightening of eligibility criteria and a tough new set of sanctions, which are intended to encourage a return to the world of paid work.

There is no single way of effectively addressing the complex challenges the issues around work and worklessness, which we have discussed above, can pose for individuals, families and whole communities. These issues play out differently in different contexts, and it is essential to identify local solutions to local problems in order to tackle them effectively.

Next steps - the research programme

*Work Matters* will consult local residents, job seekers, employers and both public and third sector service providers on work issues in and around Thetford, and explore how national policy has translated to the local level. We will also explore how issues such as low pay and in-work poverty have affected the workforce in Thetford, and how different groups within the community such as lone parents, young people, older workers and those with a disability or long term health problems experience the world of paid work - as well as asking local people which sources of support they find most helpful. We will also explore what our participants’ aspirations are regarding work, and whether these are matched by the job opportunities available locally.

Our research will include a full review of the background issues, a local residents’ questionnaire which will ask about experiences of and aspirations towards paid work, 4 to 6 focus groups with local residents to explore some of the issues raised by the questionnaire in greater depth, and telephone interviews with local employers and service providers to gather information on what they think ‘works’ in getting people back into work. A report of the findings from our primary research will be published in Spring 2011. The next stage of the *Thetford Works!* project will involve a pilot neighbourhood work club, to test out some of these ideas and see what works in the local context.


Work Matters. Work, or the lack of it, has major implications for the health and wealth of both individuals and places. For better or worse, work frames our lives and our communities and provides status, identity and self esteem – but some people and places get left behind. Structural changes at the global, national and local level not only deeply affect the quality and quantity of work opportunities, but also colour how policy makers and the public talk about work – and how those without work are perceived and supported.

Work and worklessness are not new issues, and have been the target of numerous policy initiatives and public cash. However, the recent recession and subsequent programmes of economic restructuring and public spending cuts are bringing new challenges. Of course, for many people work has always been insecure but increasing numbers are now experiencing uncertainty, rapid change and the restructuring of work. In order to understand how work and worklessness can best be tackled, we need a fuller understanding of the complex challenges these issues can pose for individuals, families and whole communities. How are work and worklessness understood and experienced at an individual, family and community level? How do people learn about work and who or what influences attitudes to work? What is important in struggling communities? What actually works in creating and keeping local jobs or supporting poorer communities?

These are some of the questions Work Matters begins to address, it is intended as the first step in a local study of issues around work and worklessness and represents the first stage of our Thetford Works! project. Work Matters is intended as a ‘think piece’ and a means to gather feedback from academics, policy makers and practitioners across the UK. The publication of Work Matters will be followed by primary research conducted in Thetford, which will aim to gauge opinion from residents, unemployed people, employers and public sector service providers on work issues in and around Thetford. Our research will explore the following key questions;

- where do local people work?
- what are their work aspirations?
- do these aspirations match up with the opportunities available?
- what do local people want to help them support them into work?
- what works in supporting people into work?

This background paper and research briefing reviews the current literature and empirical evidence on work and worklessness, drawing out key themes and issues which will be further explored in the full report as well as our primary research. Keystone’s research team welcomes any comments and contributions from academics, policy makers and practitioners across the UK, in response to the issues outlined in this background paper, as well as the proposed research design. A comprehensive initial literature review has been carried out as preparation for our primary research; however, it would be helpful to know if there are any key studies which have been missed or of similar research projects happening in other areas.
CHAPTER 3: Work in the 21st century – key issues

Work Matters will look at the main issues around work and worklessness in the 21st century, such as low pay and in-work poverty, and at the challenges facing key groups within the work force such as young people, older workers, disabled people and lone parents, some of which are outlined in the following sections. There is also evidence to suggest that many of these groups will be further disadvantaged in terms of work by living in a socio-economically deprived area. There is a strong link between deprivation and worklessness or economic inactivity; for example, informal social networks have been shown to be particularly valuable in accessing job opportunities but if an individual’s networks mainly consist of other economically inactive people, then their value decreases. The Work Matters research will therefore explore experiences of and attitudes towards worklessness within the local community, and assess how this affects individual experiences.

Low pay and in-work poverty
Despite the emphasis placed on paid work, this is often part-time, insecure, low-paid and low status work on the margins of the labour market. For many individuals, families and communities, ‘entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed’. Particular groups are significantly more likely to experience in-work poverty; for example, a recent study found that 80% of ‘working poor’ households contain a couple, and that couples where only one partner is working, or where neither partner is working full-time, are much more likely to be poor. So are families with children, who can face double the risk of poverty - the same study observed that, despite periods of (uneven) progress, the overall number of children in poor households had remained largely unchanged since 1997. The most recent data, published in December 2010 by the Joseph Rowntree Foundation, found that although child poverty in workless families had fallen slightly between 2008 and 2009 (to 1.6 million, which is actually the lowest level since 1984), the number of children experiencing in-work poverty had risen to 2.1 million – the highest number on record. Lone parent families are at particular risk of in-work poverty; research carried out in 2010 by Gingerbread found that 21% of children whose parent was in full-time work and 29% of those whose parent worked part-time still fell below the poverty line. The associated costs – both financial and personal – can mean that work ‘just isn’t worth it for many parents in this situation’.

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16 We will also consider the experiences of other groups such as minority ethnics communities, migrant workers and carers in the full review to be published in 2011
CHAPTER 3

There is also a high degree of ‘churn’ or ‘cycling’ between work and unemployment – what has been described as the low pay/no pay cycle – that is becoming an ‘endemic problem’ in the UK, with rates rising by 60% since 2006 – mostly as a result of the recession. This can lead to recurrent poverty, i.e. repeated movements above and below poverty line\textsuperscript{22}. Consequently, many individuals, families and communities are ‘merely bumping along the runway and never taking off’\textsuperscript{23}. It is also important that better opportunities are available, and that work pays, in order to increase labour market attachment and retention; while low wage, entry level jobs can be important for those trying to enter or re-enter the labour market … it becomes problematic when low paying jobs stop being a stepping-stone and workers get stuck at the bottom of the labour market\textsuperscript{24}. Those with more secure, better paid jobs who are included in the ‘core’ labour market have stronger defences against recurrent poverty than more peripheral members; therefore, ‘policies that encourage people to find work that pay little attention to the kind of jobs that are available are unlikely to secure a significant reduction in recurrent poverty or a sustained fall in the poverty rate\textsuperscript{25}.

Young people and employment

There has been a marked decline in the youth labour market over recent years. Currently there are few employment opportunities for young people leaving school, and those paid jobs which are available are low skilled, low-paid and often concentrated in the service sector. As the Prince’s Trust has noted, ‘it is no secret that young people have borne the brunt of this recession. One in five are now struggling to find a job - the highest figure on record\textsuperscript{26}. Much of this is due to changes in the structure of the labour market such as the shift towards a service economy and the decline of some sectors, such as manufacturing, which employed many young people as apprentices\textsuperscript{27}. For many, their quality of life is seriously compromised, with low wages and unemployment leaving them unable to afford even essentials such as food and/or heating (31% of young people in the Prince’s Trust study said that they had made cutbacks on essentials). Moreover, many are unable to fulfil their ambitions and aspirations. It is not that they do not aspire to work – in fact, many do – but their experiences have left them disillusioned and detached from the labour market. One of the more poignant findings from the Prince’s Trust research was young people’s lack of confidence about the future; 10% of participants felt they didn’t have any skills or talents, rising to 29% of those who had been unemployed for 6 months or longer, while 12% felt they would never amount to anything – again, rising to 22% of the longer-term unemployed.

Those from families and communities with a history of worklessness can be particularly affected. In a survey of over 2000 young adults (18 to 24 year olds), the Prince’s Trust found that 70% of those from workless households were struggling to find a job\textsuperscript{28}. 25% said that their parents did not have the necessary knowledge or access to networks to help them find work, while a high proportion were living in areas/communities

\textsuperscript{23} Goulden 2010, pp. 3
\textsuperscript{24} Lawton 2009, pp. 5
\textsuperscript{26} Prince’s Trust and Citi Foundation (2010) Britain’s Lost Talent? London: Prince’s Trust, pp. 2

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where most people were out of work or working in low-status jobs – 49% of whom said that they did not have a role model in their local area whose career they could look up to and respect. This shows how families and communities can not only strongly influence young people’s attitudes and aspirations towards, but also their access to and experiences of, local job markets.

Older workers

Research has also shown that people aged between 50 and the state pension age are much less likely to be working. For example, a recent study\(^29\) found that over the last fifteen years this group has had a consistently lower employment rate compared with those aged between 25 and 49; in 1995 the rate was 62.9% (compared with 77.5%) and although by 2009 the employment gap had narrowed significantly (from 14.6 to 9.2 percentage points), it remains significant. Data collected by Eurostat paints a similar picture; the employment rate for 55 to 64 year olds across Europe has continued to grow from 36.9% in 2002 to 46.0% in 2009\(^30\), but remains significantly lower than for younger age groups. Research published by the Trades Union Congress found that a high proportion of reported unemployment among 55 to 64 year olds is involuntary and not due to retirement, with 29.7% of those not currently in paid work stating that they expected/intended to be re-employed at a later date.

Those who lose their jobs are likely to experience greater difficulty in finding a new one – the same study also reported that people under pension age who became unemployed in 2002/03 were ten times less likely to be working in 2004/05\(^31\). There are ‘significant constraints on employment and re-employment’ among this group\(^32\) including ageist attitudes on the part of employers, or financial disincentives to take on older workers (for example, their level of experience may mean that they expect a higher salary, or the fact that they may not be likely to stay in the job long-term). Other factors may include a lack of formal human capital (such as IT skills) and the undervaluation of experience which underpins many employers’ preference for flexibility among their workforce and their tendency to offer primarily low paid and low-skilled work\(^33\).

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\(^{28}\) Prince’s Trust (2010a) Destined for the dole? Breaking the cycle of worklessness in the UK. London: Prince’s Trust


\(^{33}\) ibid
Disabled people

Labour Force Survey (LFS) data on employment among disabled people has shown a small but steady increase in employment rates over the past decade. In 1998, the employment rate for disabled people was 38.3% (compared with 79.6% of non-disabled people) and, by the end of 2009 this had risen to 46.6%. On the other hand, there was little change in the employment rate of non-disabled people, meaning a slight narrowing of the employment ‘gap’ from 41.3 to 31.0 percentage points. Looking beyond paid employment, the rate of economic inactivity (defined as those people of working age who are not working, in full-time education or training and are not actively seeking work) is much higher among disabled people at 47.8% in the last three months, compared with 15.9% of non-disabled people. The main reason given by respondents was that they were registered as long-term sick or disabled and claiming associated benefits.

Although employment rates among disabled people have been steadily increasing, a significant employment gap remains. There is still plenty of evidence to suggest that many disabled people experience particular challenges in accessing and sustaining paid work. For example, research has found that one in six people who acquired an impairment lost their job within a year and that one in three disabled people who found paid work became unemployed again, also within one year, compared with one in five non-disabled people. Underemployment (where an individual is working below their skills/qualification level) is also more prevalent among this group, and incomes are often considerably lower – in 2000, it was found that approximately 50% had incomes below the official poverty line, with disabled women particularly disadvantaged. Even where disabled people are in paid work, there is ‘clear evidence of vertical and horizontal segregation’; there are fewer disabled people in professional and managerial roles with the majority concentrated in semi- and unskilled occupations at the lower end of the labour market. A major barrier to the employment of disabled people is often business attitudes such as employer discrimination or preference for a more flexible workforce that is able/willing to work long hours.

The continued privileging of paid work by policy makers fails to take many of these issues into account, and to recognise what has been described as the ‘systematic exclusion of people with impairments’ (Barnes and Mercer 2005, pp. 533).
Lone parents

Employment rates have been proven to be consistently lower among lone parents than any other family type. LFS data shows that between the second quarter of 1997 and the end of 2009, lone parents’ employment rose from 44.6% (compared with 74.1% of other families) to 57.3%. During the same period, there was little change in the employment rate of other family types (which was 73.9% at the end of 2009), meaning that the employment gap narrowed from 29.5 to 16.5 percentage points\(^40\)\(^41\).

Once again, rates of worklessness or economic inactivity are higher among lone parents; in the second quarter of 2009, roughly two out of five lone parents (42.7%) were not working, in full-time education or training or actively seeking work compared with approximately one in four (26.2%) of other family types. Their reason for being out of work is often that they are looking after their home and family\(^42\), and for many this is an active choice. However, despite the rise in employment rates among lone parents and the narrowing of the employment gap, a higher proportion of lone parents are looking for and unable to find paid work compared with other family types\(^43\).

The current political emphasis on paid employment fails to recognise the ‘multiple barriers’ faced by many lone parents in moving from benefits into work\(^44\). A briefing published in 2008 by the Citizens Advice Bureaux highlighted five major barriers, which included:

- inflexible jobs and employers – for example, it could be difficult to get time off work to care for a sick child
- a lack of access to affordable child care which would be flexible enough to accommodate school holidays or changing shift patterns – for example, research carried out by Gingerbread in 2010 found that lone parents often had difficulty in meeting the cost of the 20% of childcare not covered by Working Tax Credits\(^45\)
- a lack of tailored support in making the transition from benefits to work
- financial penalties and difficulties in making work pay
- the inflexibility of the benefits system which made it difficult for them to achieve financial stability – moving into low paid jobs leaves many lone parents worse off than being on benefits, and inflates the risk of in-work child poverty\(^46\)

It is difficult for many lone parents to reconcile their caring role (informal work) with paid work and there is a ‘continued lack of jobs which allow them to be there for their children when they need them’\(^47\). Moving into paid work often means major changes in the ‘type and quality of time’ which lone parents are able to spend with their children meaning that this ‘work-family project’ needs to be carefully negotiated because it is ‘as much about sustaining care as it is about sustaining work’\(^48\). Commentators have noted that many lone parents make a trade off in accepting low-paid and low-status jobs, for which they are over-qualified, in order to accommodate their caring responsibilities\(^49\).

\(^{40}\) Barrett 2010, pp. 20
\(^{41}\) Again, it is likely that this much of this increase is due to the progressive narrowing of lone parents’ entitlement to out of work benefits
\(^{42}\) Barrett 2010
\(^{43}\) ibid
\(^{44}\) Citizens Advice Bureaux (2008) Barriers to work: Lone parents and the challenges of working (CAB Briefing). London: CAB, pp. 4
\(^{47}\) Gingerbread 2010, pp. 2
\(^{49}\) ibid
CHAPTER 4: Tackling worklessness – recent debates, developments and policy responses

New Labour’s ‘record’ on work and worklessness

Worklessness was highlighted a key issue for the previous Labour government which saw economic inactivity and detachment from the formal labour market as major factors contributing to experiences of social exclusion and neighbourhood deprivation. However, their central message remained one of rights and responsibilities. Ministers stated that there should be ‘clear consequences for those who play the system or who do not take work if it is available’, and that a ‘cultural propensity to avoid work is part of the explanation for high levels of worklessness in a locality’. This approach frames worklessness as a predominantly supply-side phenomenon and focused on individual motivations and capacity rather than tackling the various structural barriers to work and demand-side factors, such as employers’ preference for a flexible workforce.

Labour policies were clearly designed to promote economically valuable skills and individual employability, rather than securing employment. For example, the Leitch Skills Review published in 2006 set a series of ‘stretching’ objectives and targets, such as a target figure of 95% of adults to achieve basic skills of functional literacy and numeracy by 2020, in order to ensure that Britain could compete in the global economy. In Transforming Britain’s Labour Market, which outlined plans for major revisions to the New Deal schemes, Gordon Brown reiterated his government’s focus on employability;

‘In the old days, the problem may have been unemployment, but in the next decades it will be employability. If in the old days lack of jobs demanded priority action, in the new world it is lack of skills. And that means that our whole approach to welfare must move on… We will combine tough sanctions for those who refuse to work or train with better and more targeted support for those most in need to give them the skills and advice they need to get back onto the jobs ladder.’

With a range of area-based initiatives, such as Working Neighbourhood Pilots and the Working Neighbourhoods Fund, Labour focused their attention on ‘concentrated areas of worklessness’ and communities ‘that nurture cultures at odds with the work ethic, thereby restricting access to employment opportunities’. They also committed £32 million to the Cities Strategy pilot scheme, introduced in 2007, which aimed to achieve a ‘joined up approach to worklessness, unemployment and related issues such as child poverty in the areas seen as most behind the Government’s ‘employment for all’ target of 80%.’ In 2009, the Houghton Review continued this approach by arguing that tackling worklessness should become a ‘mainstream objective for local partnerships’. In order to ensure that all partners fully understood the ‘numbers and characteristics of claimants’ and the range of local issues contributing to worklessness in an area, the review also recommended that by mid 2009 all local authorities should carry out Local Worklessness Assessments.

50 or targeting particular ‘workless’ areas (see below)
57 ibid, pp. 6
The ‘Total Place’ approach to tackling worklessness and the social impacts of the recession adopted by the government as a result of the Hougton review’s recommendations was based on central principles of localism (focusing on local needs and priorities) and personalisation (flexible services designed around family and individual needs). As part of this approach, ministers set out plans for an integrated strategy to include local worklessness assessments which identified the main barriers to work along with area based work and skills plans agreed between local partners. ‘Total place’ also aimed to achieve a greater level of partnership working and collaboration between public sector agencies such as PCTs and local authorities, third sector organisations, employers and skills providers. In 2009, in light of the recession, the Labour government also committed themselves to delivering a bold package of measures designed to tackle head-on the ‘social wave’ of recession, pledging an additional £40 million of financial support for the 61 Working Neighbourhood Fund areas.

The range of New Deal initiatives, introduced early on in the first New Labour administration, were aimed at reconnecting a range of groups – such as those discussed above, including lone parents or disabled people – with the work place. However, while the Government has reported high overall success rates (such as a figure of over 1.8 million people helped into work over ten years), a number of criticisms have been levelled at the various New Deals. By early 2006, 1,054,000 people had been recruited onto the New Deal for Young People (NDYP), an estimated 46% of whom moved into work. However, behind this apparent success story there are persistent inequalities of outcome – for example, young women, member of minority ethnic groups and disabled young people were significantly less likely to leave the scheme for an unsubsidised job. Similarly, participants in ND50+ which was aimed at older workers were found to be disproportionately drawn from ‘easier cases’ – i.e. those at the younger end of the eligible age range (50 – 54), the short-term unemployed and those ‘who are not too fussy about the sort of work they take’. While an evaluation of the New Deal for Disabled People (NDDP) reported relatively high placement rates with over 50% of participants moving into work, these people had characteristics which made them more likely to find work than the typical Incapacity Benefit claimant – even without the intervention of the NDDP. It has also been suggested that employers are frequently cautious about taking on NDDP clients and that ‘employers’ perceptions and attitudes matter for the employment prospects of people with disabilities and health conditions.

60 Department for Work and Pensions (2008), pp. 2
62 ibid, pp. 68
64 Hasluck and Green 2007, pp. 112
One of the main criticisms of the previous government’s approach, besides the persistent targeting of workless individuals and communities, is their continued privileging of paid work while devaluing non-marketised activity or informal work such as caring. As one report noted, ‘there remains an undue imbalance between the value placed on employment and that placed on caring. To redress this balance, policy should recognise and support the contribution of caring as well as of employment’. Roughly 30% of those defined as ‘economically inactive’, and therefore explicitly targeted by New Labour policies, are carers. However, informal and unpaid work such as caring is equally valuable. Its economic value is considerable; for instance, it has been estimated that carers save £67 billion annually on the cost of formal service provision. Caring also has an important social and personal value. Nonetheless, there is a general lack of support for those who chose to combine their caring role with paid work, and working carers experience significantly higher levels of poverty; “Caring is written in invisible ink through all the major inequalities. The groups that suffer the biggest penalty in the workplace have one thing in common: higher propensity to care.”

Work and worklessness in the recession

These issues have taken on a new urgency in light of the recent recession. Commentators have observed that the rise in unemployment was actually much smaller than was originally feared - and in comparison with the previous two recessions in the 1980s and 1990s. While there was a worse overall fall in GDP, job losses as a result of the recession represented only 3% of the overall total employment. The period over which employment fell was also much shorter. The relatively small rise in unemployment levels may be the result of deals struck between employers, staff and unions in order to prevent redundancies (such as pay freezes or reductions in working hours); while this is a generally positive development, there is also a potential downside in that deals to freeze pay and reduce hours have the effect of lowering earnings, and could push some people into ‘in-work poverty’. Experts are also concerned that the recent economic downturn appears to have had a wider, cross-sectoral impact compared with previous recessions, and also that it is disproportionately affecting younger workers, and those in higher skilled jobs - which could lead to a ‘glut’ of jobseekers with high level skills (and high expectations), as well as increased competition at the lower end of the labour market.

67 ibid, pp. 4
68 ibid, pp. 5
71 Gottfried and Lawton 2010, pp. 1
Coalition government plans for tackling work and worklessness

The coalition government appears equally concerned with issues of work and worklessness. Their recent paper on welfare reform highlighted the fact that, with 4.8 million people of working age\(^{73}\) living in a household where no-one works, and more than one in every four adults (10.6 million) not working, the UK has one of the highest rates of worklessness in the European Union\(^{74}\). \textit{21st Century Welfare} also states that 1.4 million people have received one or more out-of-work benefits for nine out of the past ten years, and that 2.6 million have been receiving benefits for at least five years. The current Work and Pensions Secretary, Iain Duncan Smith, has been particularly critical of the lack of progress in tackling poverty and inequality under the previous government and has argued that the various attempts to tackle these issues amounted to little more than ‘managing its symptoms’\(^{75}\). Disincentives in the benefits system are seen by the new government as a key driver of (intergenerationally transmitted) worklessness which has ‘trapped generation after generation in a spiral of dependency and poverty’ at considerable social cost\(^{76}\). The foreword to \textit{21st Century Welfare} concludes with a clear message that this government’s aim is to ‘end the culture of worklessness and dependency that has done so much harm to individuals, families and whole communities … [and to] change forever a system that has too often undermined work and the aspiration that goes with it.’\(^{77}\). The green paper issued as a result of this consultation also maintains the previous government’s emphasis on paid work, once more advising us that ‘employment offers the best and most sustainable route out of poverty’\(^{78}\).

At the Conservative Party Conference in October 2010, the Chancellor of the Exchequer announced plans for a package of major welfare reforms to include\(^{79}\):

- transferring all new and existing incapacity benefit claimants onto the new Employment and Support Allowance (ESA) by 2013, with all but the most sick or disabled mandated to participate in the Pathways to Work initiative
- abolishing income support and transferring all lone parents onto Jobseekers Allowance (JSA) once their youngest child reaches the age of 7
- requiring lone parents with child(ren) aged between 3 and 7 to take steps to return to work, such as upgrading their skills\(^{80}\). It was estimated that this would affect 100,000 lone parents in 2011 and save the government £380 million by 2015\(^{81}\).

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\(^{73}\) i.e. between 18 and 64


\(^{75}\) Department for Work and Pensions (2010), pp. 1

\(^{76}\) ibid

\(^{77}\) ibid


\(^{80}\) with child(ren) aged between 1 and 3 will be required to attend work-focused interviews as under the present arrangements, but will not be required to take steps to prepare for work

\(^{81}\) HM Government 2010
The Chancellor also announced that from 2013, total household benefit payments - including the new ESA, JSA, Income Support, Housing Benefit, Council Tax Benefit and Child Benefit - will be capped at the median income level (then around £500 per week) in order to ensure that ‘no family should get more from living on benefits than the average family gets from going out to work’\textsuperscript{82}. The complex web of benefit entitlements is also due to be replaced by a ‘radically simplified’ system and a universal credit which will be paid monthly, rather than fortnightly, in order to bring welfare payments in line with salary payments and ‘real-time earnings’\textsuperscript{83}. These reforms are primarily intended to encourage personal responsibility and a return to paid work; other initiatives have also been proposed, such as the ‘Slivers of Time’ social enterprise scheme which will allow benefit recipients to sign up for as little as two hours paid work each week. ‘Slivers of Time’ is designed to tap into the pool of people who could work but are unable even to take on the hours of an average part-time employee, particularly the long-term unemployed who want to ease themselves back into work, people with a disability or long-term health condition, and those with caring responsibilities\textsuperscript{84}.

In \textit{21st Century Welfare} the government announced their intention to ensure that a ‘fair balance is struck between support and conditionality, making clear that we will not accept a culture of dependency nor will anyone be written off’\textsuperscript{85}. There is a clear emphasis here on personal responsibility - and, once again, supply-side factors. The government is planning to underpin this revised welfare system with a tough new set of sanctions whereby benefits will be stopped for a period of up to three years where recipients refuse a job or community work. Under this system, failure to seek employment, or to be available for work, will cost four weeks’ benefits for a first offence, rising to three months for a second offence. The ‘most serious failures’ - such as JSA recipients who fail to accept a reasonable job offer - will lose their benefits for a fixed period of three months, rising to three years for those who are judged to have ‘seriously and deliberately breached conditions’\textsuperscript{86}. Lone parents will also face sanctions if they fail to attend ‘work-faced’ interviews. Critics have argued that the proposed reforms will increase financial hardship for many individuals and families, with a 65% ‘taper rate’ meaning a loss of 65 pence for every pound claimants earn over the threshold - despite pre-election promises that this would not exceed 55\%\textsuperscript{87}. Gingerbread have argued that these changes will particularly affect lone parents, and that the government’s plans are not only overly harsh but also unrealistic; ‘Most single parents want to be in a paid job. But tough new benefit rules won’t help them find the jobs that fit with their family life’\textsuperscript{88}.

\textsuperscript{82} Osborne 2010
\textsuperscript{83} Watt, N. (2010a) ‘Tories hail radical benefits overhaul’ \textit{The Guardian, Thursday 11th November, 2010}
\textsuperscript{85} Department for Work and Pensions 2010, pp. 5
\textsuperscript{86} Watt 2010b
\textsuperscript{87} ibid
\textsuperscript{88} Gingerbread 2010, pp. 1
CHAPTER 5: Devising local solutions

There is no single way of effectively addressing the complex challenges the issues around work and worklessness, which we have discussed above, can pose for individuals, families and whole communities. These issues play out differently in different contexts, and it is essential to identify local solutions to local problems in order to tackle them effectively;

‘Each area has different economic and social circumstances. Successful projects are both developed and delivered at a local level. What works in one area might not work in another with different labour market circumstances and different population characteristics. The overriding need is for projects to be firmly rooted in the circumstances of their localities. Local data, knowledge and experience are important in meeting local needs.’

Work Matters will consult local residents, job seekers, employers and both public and third sector service providers on work issues in and around Thetford, and explore how national policy has translated to the local level. Our research will explore local views on the continued emphasis of employment policy on individual responsibility, and will consider how the experience of paid work intersects with the wide range of informal work (such as caring) undertaken by large sections of the community. We will also explore how issues such as low pay and in-work poverty have affected the workforce in Thetford, and how different groups within the community such as lone parents, young people, older workers and those with a disability or long term health problems experience the world of paid work - as well as asking local people which sources of support they find most helpful. We will also explore what our participants’ aspirations are regarding work, and whether these are matched by the job opportunities available locally.

An overview of issues in Norfolk and Thetford

Overall, Norfolk’s population is an ageing one, with only 59% of the total population classed as being of working age. Nonetheless, 76.7% of all working age adults are employed and 80.9% are economically active, both rates above the UK average. The labour market in Norfolk is largely self-contained; for example, Census data for 2001 showed that 91% of the local workforce lived and worked in the county. However, despite increasing population and good average employment rates across East Anglia, the Index of Multiple Deprivation puts around 16% of Norfolk’s lower output areas in the most deprived 20% in England.

There are major concerns regarding access to key services in the county, as well as fears that declining employment opportunities in agriculture - on which the region is heavily reliant - may lead to further problems. Thetford itself has higher than average levels of employment in the manufacturing sector, but this was also predicted to fall by 13% by 2010. The town and surrounding area is also heavily reliant on the food processing sector, and a number of key employers in the area have recently ceased trading, which has had a major impact on the experiences of the local workforce.

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89 Meadows 2008, pp. 3
Thetford is made up of four wards; Thetford-Abbey, Thetford-Castle, Thetford-Guildhall and Thetford-Saxon. The town has relatively high levels of socio-economic deprivation; for example, Keystone’s 2004 profile of Thetford noted that three out of the town’s four wards were in the top quintile of most deprived wards - both in Norfolk and nationally\(^\text{92}\). Three out of the four wards also had rates of youth unemployment over 30% which were higher than the national average of 25.6%. Data for 2006 to 2008 published by Norfolk Insight also shows consistently high levels of socio-economic deprivation; according to the ACORN lifestyle categories, a high proportion of households in three out of the four wards (but particularly Thetford-Abbey and Thetford-Saxon) can be classed as ‘burdened singles’, ‘hard pressed’ and ‘struggling families’ - categories which indicate above-average levels of unemployment, or employment in low-skilled, low-paid sectors, a high incidence of single adult households (pensioners, lone parents) and high levels of long-term illness and/or disability. On the other hand, relatively few households in these areas were classed as ‘comfortably off’\(^\text{93}\). Neighbourhood-level data for 2007 published by the Office for National Statistics also indicates above-average levels of out-of-work benefit claims in both Thetford-Abbey and Thetford-Saxon, particularly among 18 to 24 year olds at 71.\% and 8.5\% respectively, compared with national and regional averages (4.5\% and 3.7\%)\(^\text{94}\) - suggesting comparatively high levels of worklessness in the area.

### The migrant worker factor

The East of England has, since the accession in 2004 of eight new member states to the European Union, been a major destination for migrant workers - many of whom have come to live and work in the Thetford area. There is evidence to suggest that migrant workers make a significant contribution to the regional (and local) economy, and that many local employers are heavily reliant on their labour\(^\text{95}\). One of the main concerns consistently raised in public and political debates is the risk that an influx of migrant labour will displace the local labour force and depress local wages, with potentially negative consequences for levels of community cohesion - concerns which have gained new impetus and exerted new political pressures during the recent recession\(^\text{96}\). However, although there is little evidence of a widespread displacement of local workers, those groups which have been affected (albeit only marginally) include people already at risk of unemployment - particularly younger workers and those at the lower end of the labour market in lower-skilled and lower-paid sectors. Although there are indications that some migrant workers are returning home, particularly to Poland\(^\text{97}\), numbers of new arrivals from other countries such as Latvia and Lithuania have continued to rise as the economic situations in those countries deteriorate - it is therefore likely that this will remain an issue for the local workforce. The *Work Matters* research will also explore the impact of migrant worker inflows to the area, and explore the perceptions of local jobseekers, employers and service providers about how this issue has affected them.

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\(^\text{92}\) Carney (2004)

\(^\text{93}\) Norfolk Insight (undated) ‘ACORN Lifestyle Classification’ [online] http://norfolkinsight.org.uk/dataviews/view?viewId=69

\(^\text{94}\) data sourced using search facility on ONS ‘Neighbourhood Statistics’ web page http://www.neighbourhood.statistics.gov.uk/dissemination/LeadHome.do;jsessionid=ac1f930b30d5357b199162ce45289bcb976a91290ead?m=0&en=1291987143375&enc=1\&nsj=true\&nsct=true\&nsvg=false\&nswid=1276


CHAPTER 5

Research design

There will be several stages to the primary research;

- A full review of the issues will be compiled and will include a desktop search of the available academic and grey literature on work and worklessness, as well examples of best practice in supporting people back into (paid) work,
- A questionnaire, to be completed by local residents (including migrant workers); this will ask a range of questions on their experiences of and aspirations towards paid work,
- Quantitative data from the questionnaires will be used to design topic guides for a series of between 4 and 6 focus groups with a range of sub-groups within the local workforce, such as older workers, young people and lone parents,
- Telephone interviews with local employers and service providers to gather information on what they think ‘works’ in getting people back into work, and what they feel are the main barriers.

Simple descriptive and inferential statistics such as frequencies and associations will be produced from the questionnaire data using the analytic function provided by the Survey Monkey ® e-questionnaire programme. Information from the focus groups and telephone interviews will be analysed thematically using a separate qualitative data analysis software package. The data will be analysed within a particular theoretical framework called the Total Social Organisation of Labour98; this approach, which recognises the importance of informal/unpaid as well as paid work and the fact that individuals can actually adopt multiple ‘work identities’, seems particularly appropriate for this research given the existing evidence on different groups’ attitudes to and experiences of work discussed in the above sections.

Research outputs
A report of the findings from our primary research will be published in Spring 2011. The next stage of the Thetford Works! project will involve a pilot neighbourhood work club, to test out some of these ideas and see what works in the local context. The structure of the work club will be dependent to an extent on the outcomes of the research stage of the project and will be flexible and responsive to identified needs. However, it is likely to include a drop-in service offering general pointers, advice and signposting, as well as use of existing groups and events and one-to-one ‘mentoring’ and tailored support to help individuals overcome barriers and achieve their aspirations.