Rethinking 'work'

A look towards a 'broad work' concept

Written by Max Nathan and Andy Westwood

It is striking how bold policy makers have been in rethinking welfare – and how cautious in rethinking work. This *Local Work* considers how a redefinition of work could provide a new, more effective route to full employment. We believe that the problems faced by individuals in their attempts to find work are inextricably bound up with the problems that often confront whole communities. Solutions to unemployment and urban decay should then be both broader and inter-linked, with greater subsequent payoffs for people and places.

Unemployment is at its lowest since the 1970s, employment has never been higher and yet there are people and places that have persistently failed to benefit from the UK's booming labour market. The 'hardest to help' are now a feature of the welfare to work policy debate. Government policy is moving rapidly towards the view that this problem is also about particular geographical locations, and ultimately, the combination of such places and particular types of people.

Welfare to work strategies have been explicitly concerned with moving benefit claimants and other economically inactive people towards participation in the formal labour market. The overriding presumption is that formal, paid work is the best possible outcome – as the mantra 'work for those who can, security for those who cannot' makes clear.

At best, this is a coherent and ambitious policy response for addressing the needs of low skilled, disconnected individuals at the edge of the modern labour market. At worst, however, it is a one-dimensional approach that misses the needs of particular types of individuals and particular communities. Their exclusion is an enduring and perplexing problem in an economy that can boast the highest levels of employment since the early 1970s.

The emphasis on greater supply side interventions and the process of matching people to vacancies has so far had less success with individuals from ethnic minorities, the low skilled, older people (especially men)[1], those on incapacity benefit (ICB) and lone parents, as well as for those communities where such people are disproportionately concentrated. Although many of these groups have recently had specially adapted versions of the New Deal programme constructed for them, it is too soon to quantify their success.

At the same time, these groups are operating in substantially different local labour market conditions, with varying levels of local labour demand.[2] Dickens, Gregg and Wadsworth point out that, although regional unemployment differentials are lower than for many years, they do not capture the real patterns of geographical divergence:

'The proportion of working age men not in work varies from 13 per cent to 26 per cent across the ten standard regions. At county levels this spread nearly doubles from 8 per cent to 31 per cent. At finer levels of disaggregation this dispersion is greater still, highlighting the plight of many coastal towns and the former coal mining districts alongside major urban areas … by far the worst geographical concentrations of joblessness are in our social housing estates.' [3]

The analysis of local unemployment and regional job vacancy rates usually relies on the imposition of Travel to Work areas – geographical hinterlands within which people might normally

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be expected to look for employment. There appear to be two drawbacks to this approach. First, there are 'Travel to Work' areas where local unemployment is persistently high and second, the areas may be unrealistic descriptions of potential travel habits, particularly where social housing estates are involved.

In these areas and for these people, the fabric of community infrastructure has been severely eroded. There are fewer affordable transport services, fewer locally-based public services, fewer child care places, poorer housing conditions, the greatest levels of health inequality and the lowest rates of economic activity. Government research suggests a strong connection between lack of transport, social exclusion, narrow horizons and economic activity.[4] In this sense, it may be that the psychological definitions of mobility are very different to that suggested by using the Travel to Work area analysis.

This leaves us with a clear but multi-faceted problem. We have high pockets of joblessness where mobility is restricted and where public services are fragmented. Communities and individuals are becoming more marginalised and overall levels of prosperity are making the problem more visible. Here, social capital[5] has declined and the community infrastructures that often underpin successful economic activity are fragmented. Where there are too few jobs[6] there are inadequate mechanisms for supporting job and business creation.

There is also an important political dimension to this problem. There may indeed be sufficient jobs in or within relatively easy reach of the majority of the UK's towns and cities. However, the perception that certain parts of the country have been left out of the current economic boom remains strong. In the event of a downturn, then it will be these areas that are likely to suffer first. This is the labour market element of the 'heartland' problem. Civil servants may not be convinced of the economic analysis of local jobs gaps, but the political pull is likely to be different.

For people in these places 'work for those who can, security for those who cannot' does not apply very well. Conventional patterns of paid employment (even part time) may not fit with their caring responsibilities, particular disabilities, or skill sets – particularly if they have been out of work for many years.[7]

Welfare and work

National welfare to work programmes such as New Deal should be devolved to provide far greater local flexibility and discretion along the lines of the Employment Zone and Action Team models. The argument is that 'welfare', in this sense, should be about understanding and meeting individual needs through a broad range of welfare interventions, rather than forcing everyone through the same process. The recent Green Paper *'Towards Full Employment in a Modern Society'* goes most, if not all of the way by setting out a range of measures to concentrate resources on particular places and particular groups.[8]

Rethink 'work'?

There are, though, voices from within and around government who are beginning to push a broader concept of work:

'The challenge, however, is to provide a wider definition of what employment means. Social democrats have traditionally equated participation with the paid labour market. Yet there is non-paid work that should be considered legitimate. Caring, informal education and volunteering all enhance individual well-being and are good for society. An active welfare state designed to encourage people into work should recognise this. In its second term, New Labour has to broaden the scope of its 'welfare to work' policies.'

Peter Mandelson[9]

Such 'softening' of existing labour market policy may provide a much broader trigger to sustainable economic activity than current welfare to work policy. Self-employment, supported by a generous employment credit, is an option in the New Deals for over 25s and over 50s and typically focused on local types of service activity. Support for moving lone parents into jobs as registered childminders is a principal part of the government's Neighbourhood Nurseries Initiative, creating local jobs and addressing low levels of available child care places in deprived communities.

Creative interventions of this nature not only deliver outcomes for the individuals involved but also trigger others' economic activity, through enhanced child care provision and through the multiplier effect of basic economic activity. The creation of additional social or community enterprises via welfare to work should become an important objective for triggering improved levels of both individual and community economic activity.

Work by the Cabinet Office Performance and Innovation Unit on non-activity among older people[10] is useful to revisit here. The Unit's report makes a number of trenchant suggestions to increase social participation and community capital. These include:

- ensuring Employment Service and Benefits Agency staff understand and promote benefit claimants' opportunities to do volunteer work; and allow staff to make small advance payments to claimants to cover volunteers' expenses
- 'Introducing pilots to explore new ways of recognising and rewarding volunteering activity.' Options include (i) paying small stipends to volunteers; (ii) promoting Local Economic Trading Schemes (LETS) and disregarding LETS earnings in Job Seekers' Allowance (JSA)/Incapacity Benefit (ICB) claims; (iii) consider setting up a national 'community exchange bank' based on the time banks idea, to be promoted through interested New Deal Partnerships.[11]

The paper illuminates the limited extent of broader work outcomes currently on offer. Those claiming Incapacity Benefit can currently move not just into paid employment, but also into varying amounts of training, therapeutic work or community volunteering. The New Deal for Lone Parents offers participants a number of options for combining work, education and child care. However, few ICB claimants are aware of the choices they have; and such notions of constructive participation are strictly limited to these two groups.[12]

'Broad work'

The government's whole employment policy programme has been about extending labour market choice through individual empowerment. While the primary aim of employment policy remains reattachment to the conventional labour market, there is a clear case for allowing a much larger set of people to mix and match, to a greater degree, different forms of economic and social activity – a 'broad work' approach.

This flexibility would apply not just to routes taken towards formal employment, but also to final destinations. These could be regular employment, a combination of formal and informal activities, or in a few cases, predominantly the latter:

'After a period of unemployment, the state should offer its help not in the form of hand-outs but through the guarantee of work. This is no airy-fairy idea. It has been the system in Sweden for 40 years. Once people have been unemployed for a year (or six months if under 25) the ES will be obliged to find them at least two offers of reasonable full time work … in some cases especially where unemployment is high it may be impossible to find enough jobs with regular employers. In such cases temporary jobs will be provided through job creation projects run by public authorities or voluntary bodies. There is socially useful work crying out to be done …'

Richard Layard[13]

There is a role for this kind of approach, especially if linked to a formal job guarantee. In practical terms this might be linked to work such as child care – considered to be in deficit in high unemployment communities – education and volunteering (classroom assistance, playgroup/nursery work, time bank activity etc.). This may also provide another method of New Deal option delivery in the form of an intermediate labour market or transitional employment process. As Geoff Mulgan[14] states: *'For (those) that have either never worked or lost touch with the labour market the priority may be a period of structured work experience that serves as a stepping stone into the mainstream labour market.'*

'Socially useful' work can form an important transition between inactivity and the formal labour market; and can also have benefits for restoring social fabric in deprived communities. A third benefit may also be the ability to translate such work into social enterprise business start-ups or public sector job opportunities.

It would seem logical then to target particular communities and socio-economic groups with a broader approach to both welfare to work and to work itself. Widening the types of 'work' activity in such areas and with such people should also attempt to address deficiencies in community infrastructure. Our key argument is this: not only should policy makers encourage social capital-building through the benefits system, but also that all of these activities – jobsearch, training, formal and informal activity – can develop employability and move people towards independence. We should widen our ideas of 'work' to this end.

Eligible groups for broad work programmes[15] might include older workers; lone parents and parents of children under 11; those with caring duties; those with recurrent/degenerative conditions; long term ICB recipients; and those on social housing estates or in areas of low labour demand. There might be others who would qualify on the basis of a severe shortage of skills, or persistent substance abuse/behavioural problems.

'Broad work' into practice

Putting broad work into practice would mean incorporating broad work principles into the benefit system as a whole – not simply establishing new waves of pilots for single groups. We suggest that a mainstream broad work programme be set up for the groups outlined above. Essentially, people in these categories should be allowed to 'patch' jobsearch with combinations of socially constructive activity – for example, learning and training, volunteering, community work, occasional employment or therapeutic activity. The aim would be to have clients eventually combining some paid, formal work and informal, socially constructive activity. The latter would combine individual and social benefit – building self-confidence, social and interpersonal skills, and developing community capital and networks.

Doing broad work would operate something like this. After an initial employability and contingency assessment, Job Centre Plus clients would draw up participation plans with their advisers. These plans would set out the mix of training, jobsearch and informal activity matching individual needs best. The understanding would be that some clients would be able to move more easily and quickly into paid, formal work than others. To make these programmes work, benefit regulations would have to change including the 16 hour rule and benefit earnings disregards, and the Personal Job Account mechanism (currently deployed in Employment Zones) could be used to combine benefits, training and money and a state stipend for informal activity.

Employers

How would a broad work programme serve the direct needs of businesses and organisations? It could prove to be a much more open and practical process than New Deal, in that it is more honest about the levels of job readiness often demonstrated by job seekers. Employers can take a realistic view, and with the various available subsidies take joint responsibility with the job seeker for patching together a broad work programme – or they can consider taking placements on a more restricted basis.

In effect, this is 'pragmatic philanthropy' – employers are encouraged to take part in a community regeneration programme, but one with hard benefits for them. Firms can increase their capacity and employee skill base; plus participants will have more money to spend in local businesses.

Multiple equity

There is a strong equity case for making these changes to policy, and such changes also score on efficiency

grounds. At the human scale, placing people into a range of sustainable positions now, prevents fallback later, and demonstrably meets individual needs better. There are also significant community social and economic benefits from recasting work, not least the likelihood of increasing the amounts of money and time that will 'stick' to local areas.

One option is to use time banks and time credits to 'pay' people for volunteering and other community work.[16] These credits could then be cashed out in several ways – converted into hard cash to be placed in an ISA; converted into Attachment Account or an Individual Learning Account with funds to be spent on learning and employability; or spent locally on a range of other time-funded services, or in select local shops and services.

Future problems?

Broad work schemes could be seen as unjustified use of state power; government prescribes some activities as more deserving than others, rewarding some and penalising the rest. This is more or less what happens already with the New Deal and its famous 'no fifth option'. But in that case, the rationale seems very clear – paid work is good, anything else is bad. Traditional welfare to work is primarily an economic policy programme, with some positive social spin-offs achieved through people being in work, and through people becoming more employable.

In practice, allowing people to choose their own forms of equity accrual towards greater economic self dependency may prove most effective. The key is to angle the activity to ensure that genuine social participation/employability benefits result. We should consider how a wider definition of work can 'broaden the funnel' and allow more people to move from benefit dependency to sustainable economic activity, or at the very least to a practical combination of the two.

Broad work schemes may reduce replacement ratios by rewarding activities other than paid work. This may have the effect of keeping some people further out of the labour market than they would be now. Given that sustainable paid employment is the best route to economic self-sufficiency, multiple equity schemes may increase choice but also dependency on state support.

However, for a government which prioritises formal economic activity, seeing paid employment and good works as broadly one of a kind may not be politically acceptable. This suggests a desirability hierarchy may evolve, with paid work at the top and good works ranked somewhere below it. It is important that a strong case for non-formal work is made.

Conclusions

Broad work programmes represent a pragmatic response to 'hard to help people and hard to help places'. At another level, broad work is a far more radical proposal. It aims to recast – for the better – the current balance of rights and responsibilities between citizen and state, through a broader understanding of social inclusion through participation, not just paid employment.

We are not advocating an alternative to work but are considering how best to widen the definition of work, in order to trigger greater levels of individual and community development – and conventional economic activity.

It is vital to address the disabling tension between two of the government's most powerful policy themes – on the importance of community and the need for labour market reform. The latter seems to involve matching supply and demand by all means necessary, moving people to work regardless of the effect this might have on the communities they leave behind. The former, meanwhile, focuses on exactly those communities and how to strengthen their social and economic fabric. Ensuring stable and attractive places – encouraging people to stay – is seen as central to making this happen. In the best traditions of joined-up policy making, broad work programmes offer a neat way to connect the two.

References

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