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# 'Idleness' and a new approach to employment policy

Katy Jones

Is this one of Beveridge's 'five giants' still a problem today?

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# TODAY'S PROBLEM ISN'T IDLENESS, IT'S A LACK OF DECENT WORK

For Beveridge, who was writing after two decades of high unemployment, the problem was one of worklessness and a lack of jobs for male breadwinners. Today our labour market is very different: rates of employment are historically high, many more women are in paid work, but alongside this we have record levels of in-work poverty and endemic labour market inequalities along the lines of gender, ethnicity and disability. The UK is stuck in a low-pay, low-productivity rut, but the political rhetoric on both sides has not caught up.

Politicians on the right – some still employing the outdated and pejorative language of 'idleness' – celebrate high employment rates and claim that clamping down on and removing support from benefit recipients is key to delivering their coveted high-pay, low-welfare economy. The all-too-familiar trope of getting tough on welfare in response to recruitment challenges unsurprisingly surfaced in recent fiscal announcements and for some, the solution to the cost-of-living crisis is for people to just work more. Meanwhile, politicians on the left often continue to argue that we simply need more jobs.

<sup>1</sup> Jones K and Kumar A (2022) Idleness: The five giants: A new Beveridge report, Agenda Publishing ltd

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Both sides miss the point: the problem is neither the scarcity of work nor a lack of people willing to do it, it's a lack of decent jobs. There are simply not enough jobs that are inclusive, secure, sufficiently well paid and that provide genuine opportunities for progression. Blaming unemployed people and low-wage workers for this situation, combined with the blunt tools of benefit conditionality and sanctions, will not get us out of it.

#### RESTORING POWER TO WORKERS: THE ROLE OF THE STATE

A key factor underlying our underperforming labour market is power. It's something that unemployed people and low-paid workers are sorely lacking. The balance of power between workers and employers has also shifted decisively towards the latter. People are forced into taking jobs that don't match their skills and needs, trapped by both a lack of progression opportunities within their current workplace, but also a lack of alternative jobs that offer a better future. Employers have no incentive to improve job quality if they know their workers have few alternatives.

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The state should play a key role in redressing this power imbalance. Being pro-economy isn't necessarily being pro-business, and government should be backing and investing in the unemployed and low paid, rather than treating them as a problem to be managed. But in our book we show that time and again, in policy areas as diverse as unemployment, childcare, transport, skills and regulation, the state conspires to constrain the labour supply of low-paid workers and reduces their power to reject poor quality work.

#### THE UK NEEDS MORE THAN A 'NAGGING SERVICE'

Our employment service needs urgent reform. For a long time, it has been unashamedly characterized as a "great big nagging service", enforced through punitive sanctions and designed to make unemployment more uncomfortable than it already is.

<sup>2</sup> Freud D (2021) Clashing agendas: Inside the welfare trap, Nine Elms Books

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The 'work first' approach, which is underpinned by short-term objectives to reduce the benefits bill as quickly as possible, emphasizes fast job (re-) entry. This is presented as the Department for Work and Pension's (DWP) 'ABC' model where, in theory, claimants are meant to move into 'any job', then a 'better job', then a 'career'. But we know that, in reality, most people who move into low-paid, poor-quality work get stuck there and never progress to B or C. Despite this, the DWP appears wedded to this approach, described by Tom Pollard as being 'institutionally and culturally incapable' of designing support and services that do not centre on conditionality.<sup>3</sup>

## "in reality, most people who move into lowpaid, poor-quality work get stuck there and never progress"

The UK spends less on active labour market policies than competitor nations, and support is highly variable. Resources are wasted on a costly sanctioning regime, and for most people 'support' merely consists of 10-minute appointments with their 'work coach' – civil servants who themselves are apparently working with unsatisfactory pay and conditions. We are a long way from the personalised services that are needed to reflect the capabilities and needs of different groups including people with disabilities and caring responsibilities.

## A 'WORK FIRST, WORK MORE' APPROACH IS MISGUIDED

Reform of this problematic approach has been needed for a long time. But at this juncture, when the DWP is beginning to think about engaging with people in work (an unprecedented shift made possible through universal credit's merging of in- and out-of-work benefits), policymakers need to recognise that we've reached the end of the road.

More of the same: a 'work first, then work more' approach, which simply requires workers to take on more work, while at the same time doing nothing about the quality of jobs available, just places more pressure on precarious workers. Employers don't welcome this approach either, voicing

<sup>3</sup> Pollard T (2018) Pathways from poverty: A case for institutional reform

<sup>4</sup> National Audit Office [NAO] (2016) 'Benefit sanctions', HC 628.

<sup>5</sup> Webber A (2021) 'Civil servants vote to strike over pay and job security', Personnel Today, news article. https://www.personneltoday.com/hr/civil-servants-strike-vote-pcs/

We urgently need a shift to a support-based system that empowers people to access quality opportunities and support genuine prospects for progression. The key objective should not be moving people into any work, but to ensure that, where work is appropriate, people are supported into decent and productive work where their skills and capabilities will be developed and used effectively, and in which they can maximize their potential. This is the human capital approach: helping people to build a satisfying and productive career, not take on any job at any cost.

Part of this means ensuring the employment and skills systems work effectively together. Adult learning participation has fallen off a cliff, almost halving over the past decade. Employers are shirking their responsibilities here, however the state also has a role in supporting people to access the training opportunities that could help them to progress. But the proportion of benefit spells including training has plateaued at just over 6 per cent and only 6 per cent of those starting apprenticeships had been claiming benefits in the six months prior, down from 14 per cent in 2013/14. These are baffling statistics given both systems share a core aim of supporting people to move into and progress in work. However, they further expose the short-sightedness of the 'work first' approach: time spent learning and developing new skills is time not spent applying for and being available for work. This is despite international evidence which shows that such human capital development approaches have better long-term employment outcomes.8

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It is clear that policymakers must shift their priorities from short-term reductions in the benefits bill to aiming for a world-leading employment and skills service that will meet the needs of the labour market of the future. "But this costs money!", is often the immediate response to these kinds of suggestions. Indeed, it may well do in the short run, but in the longer run there are higher payoffs for people, businesses and the economy.

<sup>6</sup> Jones K (2022) 'Heads in the sand: The absence of employers in new developments in UK active labour market policy', The Political Quarterly, 93(2), 253-260

<sup>7</sup> Bhattacharya A, Corfe S and Norman A (2020) Adult education, education, education: How adult education can improve the life chances of those on low incomes, Joseph Rowntree Foundation and Social Market Foundation

<sup>8</sup> Osikominu A (2021) 'The dynamics of training programs for the unemployed', IZA World of Labor, 277(2)

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Policymakers need to wake up to this. Investment in people is both worthwhile and long overdue.

# TRANSPORT, CHILDCARE AND THE IMPORTANCE OF USER-LED POLICYMAKING

But it's not just active labour market policies that impact on the power of the workforce. Policymakers need to recognize the economic value of investment in other key areas including transport and childcare, to ensure that these are working to support rather than running against broader policy efforts to support movements into and progression in work. A social infrastructure that provides neither workable childcare options, nor a public transport system that works for the lowest paid further restricts the choices available to people.

# "Investment in people is both worthwhile and long overdue"

An underlying problem behind these policy failures is that the process of policymaking is far too detached from reality. Policymakers need to appreciate that what it means to juggle childcare and shift work in sectors such as care, hospitality and retail is a long way from the corridors of Whitehall. Low-paid work does not fit a simple 'nine to five' pattern and, if they are to be of use for low-paid workers, neither should transport and childcare services. Better policymaking should involve universal credit claimants, low-paid workers, employers, and unions when policies relating to employment services, skills, childcare and transport are being developed. The people at the sharp end of the labour market who *should* stand to benefit from policy ought to be at the heart of its planning and implementation.

#### SHIFT THE FOCUS TO EMPLOYER BEHAVIOUR

While policymakers have been fixated on the behaviour of jobseekers, it is in fact the behaviour of employers that needs much more attention. While there are lots of good employers, there are far too many bad ones undermining efforts to raise standards. Employment right abuses are rife. Approximately 440,000 workers were paid less than the minimum wage in April 2019, 9 and many people also report not receiving basic entitlements

<sup>9</sup> Low Pay Commission (2021) Non-compliance and Enforcement of the National Minimum Wage

like paid holiday or payslips. 10 Meanwhile, central government's commitment to the good work agenda is clearly waning.

#### "While there are lots of good employers, there are far too many bad ones undermining efforts to raise standards"

A renewed national emphasis on good work is needed. Part of this is about support for better management, encouraging engagement with good work initiatives and the real living wage. Policymakers outside of Whitehall have noticeably been much more active on this agenda including in Greater Manchester, which is encouraging businesses to sign up to its good employment charter. But voluntary approaches in this realm can only take us so far: regulation and enforcing employment rights is key.

If policymakers are serious about getting us out of this low-pay, lowproductivity rut, they need to start backing up these sentiments with real action on the range of policy areas that currently work to undermine, rather than empower, workers, and help them to thrive in the UK labour market.

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<sup>10</sup> Cominetti N and Judge L (2019) From rights to reality: Enforcing labour market laws in the UK, Resolution Foundation

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