

Retrenching Incapacity Benefit: Employment Support Allowance and Paid Work

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In October 2008 in the UK Incapacity Benefit (IB) (the main income replacement benefit for sick and disabled claimants) was replaced by the Employment and Support Allowance (ESA) for new claimants. Drawing upon recent work on the retrenchment of welfare benefits and services this paper examines the context for the changes, the marketisation of the job placement services for ESA claimants and the extension of conditionality to sick and disabled benefit claimants. The paper argues that the introduction of ESA is a good example of the retrenchment of benefits for the majority of sick and disabled people. The paper concludes that ESA can be interpreted as creating a group of disadvantaged people through which the private sector can profit.

Introduction

In the UK from October 2008, new claimants of income replacement benefits for sick and disabled people have to claim Employment Support Allowance (ESA) rather than incapacity benefit (IB). The ESA is a central element in the government's drive towards an employment rate of 80 per cent. If this target is to be reached, one million people receiving IB are going to have to find work in addition to a million older people and 300,000 lone mothers (DWP, 2006). Although only announced in 2006 (Secretary of State for Work and Pensions, 2006), the ESA has been the subject of several papers. Some (Puttick, 2007; Messere and Stenger, 2007) are mainly descriptive, outlining the changes that ESA will introduce, while others (Grover and Piggott, 2007) have taken a critical approach focusing upon the economic context of its introduction, the (medical) model of disability upon which it is premised and on its gender implications.

What these papers do not do is discuss to any great extent the relationships between the ESA and IB. While Grover and Piggott (2007) do highlight the introduction of an empirically unsound analysis of what are held to be problems with IB, analytically we say little about how the ESA will differ from IB and the implications of this for sick and disabled claimants. This paper focuses upon such issues and discusses them within an analytical framework that draws upon the concept of retrenchment. The paper argues that the introduction of ESA represents an example of the retrenchment of benefit policy for the majority of sick and disabled people who claim it.

Retrenching welfare

Hacker (2004) argues that the antecedents of recent academic interest in welfare reform can be traced to Pierson's (1994) book, *Dismantling the Welfare State*. In that book Pierson

argues that, while there have been various pressures – economic, political and social – to roll back welfare provision, the provision in the USA and the UK has been resilient against such moves. Such arguments, Hacker (2004: 243) claims, have come to embody the ‘conventional’ view that, while ‘welfare states are under strain, cuts have occurred, but social policy frameworks remain secure, anchored by their enduring popularity, their powerful constituencies, and their centrality within the post-war [World War II] order’.

The difficulty with such arguments is that they seem to lean towards an ahistoricism by emphasising continuity at the expense of change, for, as the case of the UK demonstrates, while spending on social welfare programmes has increased over the past 30 years, implying at an aggregate level that retrenchment has not occurred, the welfare state is now a very different thing to that which it was three decades ago. This is particularly the case in relation to income maintenance policies; there are more people now reliant upon state benefits for part or all of their income than there were 30 years ago and, to some degree, there has been a shift from benefits for ‘wage replacement to wage supplement’ (Millar, 2003: 123). In this context, the problem for the retrenchment thesis is that aggregate data on spending disguise shifts in welfare programmes that, when analysed individually, may well demonstrate a tendency towards retrenchment (Hay, 2005). Pierson (2006: 351) points to this when he argues that there need to be qualitative analyses, as well quantitative analyses of retrenchment, the former of which might include a focus on:

- (1) significant increases in reliance on means-tested benefits; (2) major transfers of responsibility to the private sector; and (3) dramatic changes in benefit and eligibility that signal a qualitative reform of a particular programme.

This would seem to be a fruitful approach to examining the complexities and nuances of changes in welfare states, for it points to various measures that can be employed to analyse whether welfare benefits and services are being retrenched. However, his observations are still at the level of the welfare state in general. An even more fruitful approach is arguably one that follows Kemp (2000: 264) who suggests ‘important insights into welfare state retrenchment can be gained by disaggregating the analysis to look at individual welfare programmes’. This paper follows Kemp’s suggestion by focusing upon income replacement benefits for sick and disabled people and examining the ways in which the ESA differs from the existing IB in terms of its eligibility criteria and its enforcement.

At the same time, as Pierson (1994: 15) argues in his thinking on ‘systemic retrenchment’, it is not enough to focus upon programme specific changes to understand retrenchment, for such programmes ‘do not exist in a vacuum’, but within a political economic environment that involves a range of institutions and actors (Scarborough, 2000). In this sense, Pierson (1994) maintains that systemic retrenchment can take the form of: ‘defunding’ welfare states (or, one presumes, particular welfare programmes), attempts to change public opinion through policy changes that reduce popular attachments to public welfare provision, modifications in political institutions that change the ways in which decision making about the welfare state is executed and a ‘weakening of pro-welfare state interest groups’ (ibid.: 17).

Systemic retrenchment, therefore, is concerned with the wider political economy of the welfare states and programmes, with how they come to be shaped by various

political pressures and how these require managing if retrenchment is to be successful. The implication of the existing analyses though, is that the political pressures from interest groups are essentially 'pro-welfare'; they aim to defend welfare provision or even demand the extension of programmes. In our case, for example, the demands of the Disability Rights Commission (now part of the Equality and Human Rights Commission) for increased work opportunities for disabled people is a good example. The problem, however, for existing analyses is that such demands can be co-opted in a manner that can be used to shape policies around the retrenchment of welfare benefits and services. Moreover, it is not the case that pressures for change are always in defence of welfare; pressures, for instance, from right-of-centre think tanks, such as the Institute of Economic Affairs and Centre for Policy Studies, helped to change the nature and direction of welfare provision in the 1980s and 1990s (see Cockett, 1995).

The concept of systemic retrenchment implies that there is a need to focus upon the wider context in which retrenchment occurs, particularly in relation to popular attitudes towards welfare, and that this is as important a part of retrenchment as the actual changes to policies. Indeed, without an attempt to engage with such attitudes, retrenchment is arguably very difficult. We turn to this issue in following section.

Incapacity benefit: the media and the didactics of the 'scroungerphobia'

The number of people of working age who are claiming sickness-related benefits has been a concern to both Conservative and Labour governments over the past two decades. The reason, for example, that Invalidity Benefit and Severe Disablement Allowance were replaced by IB was to reduce the number of people claiming them by introducing a single benefit with more restrictive qualifying criteria (McKeever, 2000). Since the election of New Labour in 1997 there has been a particular concern with IB. This was made clear when in 1997 a document outlining plans for changes to sickness and disability-related benefits was obtained by Channel 4 News and reported in the national press. The document noted:

The Government has made clear its aim to release resources from social security in order to spend more on health and education, and it is likely that a high proportion of the necessary savings will have to come from benefits paid to sick and disabled people, including compensation benefits for industrial injuries, which accounts for a quarter of all benefit spending. (*The Guardian*, 13 December 1997)

The release of such plans into the public domain came at an unfortunate time for New Labour because the press was already concerned – expressed in headlines such as 'Blair accused as benefits for disabled are cut' (*Mail on Sunday*, 7 December 1997) – with the operation of the Benefits Integrity Project, which was introduced in the last days of the Conservative government as a means of weeding out those people who were receiving Disability Living Allowance and who could be administratively categorised as undeserving of it.

The content of the leaked document demonstrates some of the complexities of analysing welfare retrenchment, for while it suggests retrenchment in benefits for disabled people, this was for the purpose of the expansion of other more popularly supported state services – health and education (Kemp, 2000). However, the aftermath of the leaking

of the report also says something important about how welfare restructuring operates at a political and popular level, for its leaking 'led to protests from pressure groups for disabled people and others representing the interests of social security claimants' (ibid. : 267). For example, as Kemp (ibid.) notes, the public 'had considerable sympathy for sick and disabled people, who did not appear responsible for their situation'. While the media are capable of taking both sides in any argument, the problem here for the government was the need to make a convincing case for reforms.

It is difficult for retrenchment to take place in an atmosphere of public support for state-sponsored welfare benefit services and/or strong support groups of claimants (cf. Kemp, 2000; Scarbrough, 2000). 'Able-bodied' unemployed people have for many years been the target of media campaigns that are directed at the structure and direction of welfare policies. Golding and Middleton (1982: 109), for instance, argue that the reporting of welfare-related issues, particularly a discourse related to 'scroungerphobia', was in the 1970s part of the process of 'dismantling the welfare consensus'. Moreover, it was part of an attempt 'to remoralise the workless millions to ensure the continued vitality of the work ethic and the preservation of law and order' (ibid.). Ginsburg (1979: 48) argues that such discourses have such a role by 'rendering claimants socially as well as economically less eligible' (Ginsburg, 1979: 48).

Without a discourse vilifying sick and disabled claimants, it was difficult in 1997 for the government to 'construct a "convincing story" to justify large-scale cuts in social security and it was forced to acknowledge the political realities of welfare state roll back' (Kemp, 2000: 267). However, the government arguably learnt a valuable lesson: that communication strategies involving the media were important in dealing with welfare reform. Such observations were emphasised in the Green Paper, *Beating Fraud is Everyone's Business: Securing the Future* (Department of Social Security, 1998), where it was argued that 'an anti-fraud culture among staff and the public and to deter fraud' (ibid.: para. 3.6) needed to be developed. To do this it was noted that a 'public communication strategy' was necessary. This strategy included several high profile anti-fraud advertising campaigns (Raftopoulou, 2004; Grover, 2005; Connor, 2007). Our contention is that while, of course, there could not be an advertising campaign justifying a decrease in the social eligibility of sick and disabled claimants there have, nonetheless, been attempts to cast out sick and disabled claimants as being part of the alleged 'scroungerphobia' problem.

In 2006, for instance, Labour published the Green Paper, *A New Deal for Welfare: Empowering People to Work* (Secretary of State for Work and Pensions, 2006), which, while not being exclusively concerned with sick and disabled claimants, was particularly concerned with the way in which IB was held to attract 'too many people on to it and then [trap] them there once they claim it' (Grover and Piggott, 2007: 735). By coincidence the Green Paper was published on the day the British Broadcasting Corporation (BBC) aired the first programme in a series entitled *On the Fiddle*. This programme – and the others that followed it – attempted to distinguish the deserving from the undeserving sick and disabled poor, for while it featured 'genuine' claimants, the processes they had to endure to claim disability-related benefits and the financial struggle that living on such benefits often posed, it was primarily concerned with people who were claiming IB, but who were, as the use of the video footage shot by fraud investigators showed, able to do at least some work.

In a second example the agenda was set by a range of headlines, including 'Too fat to work' (*The Times*, 19 November, 2007) and 'Tiredness among 480 reasons people give

for being unable to work' (*The Guardian*, 19 November 2007). Using statistics *The Times* claimed to have gleaned from the Department for Work and Pensions (DWP) through the Freedom of Information Act, such press reports focused upon claimants receiving benefits for disabilities reportedly caused by obesity, acne and dizziness. In press stories the then Secretary of State for Work Pensions was reported as saying 'No-one is entitled to incapacity benefit on the basis of a diagnosis' (*The Times*, 19 November 2007), later in the day the DWP issued a press release that, in many ways, reflected the media's concerns about disability benefits, but which could also use the press to justify the announcement of 'a new medical test that will score a person's capability to work . . . as part of [the] drive to end sick-note Britain' (DWP, 2007a: 1). In particular, the press release noted that one half of those taking the test would fail it, 'meaning that 20,000 fewer people a year will enter "sickness" benefits' (ibid.). By the end of the day the press and the government were metaphorically singing from the same song sheet; IB claimants were benefit-dependent because of their inadequacies rather than because of a range of disabling barriers that they face in accessing paid work. The focus upon individuals and their responsibilities as citizens was being used to justify retrenchment in benefits for sick and disabled people.

The harmonising of media and government arguments have, since the debacle related to disability benefits in 1997, been crucial in constructing a popular environment conducive to the restructuring of IB. The work of Scarbrough (2000: 251) is useful in this regard, for she argues that the process of welfare retrenchment relies 'heavily on the educative capacity of political elites'. In this context, the changes that the ESA will introduce partly reflect the fact that, in the words of Kemp (2000: 267), a 'convincing story' had been constructed that suggested disability-related benefits were in need of reform. The didactics of the scroungerphobia had been developed to declare sick and disabled claimants as less deserving than their well and able-bodied peers, and in this sense, what Pierson (1994) described as an element of systematic retrenchment can be applied to programme-specific retrenchment strategies.

Justifying retrenchment: the opportunity to work

The 1995 Disability Discrimination Act (DDA) makes it illegal for employers to discriminate against disabled people in their hiring practices and procedures, and forces them to make 'reasonable adjustments' to these and their premises to facilitate the employment of disabled people. While the DDA is problematic because it does little to reduce power inequalities between disabled people and employers (Roulstone, 2000), it does at least utilise the social model of disability because it is more concerned with the circumstances in which people are disabled.

The implication of the DDA is that sick and disabled people should be able to compete with their able-bodied peers on a more equal basis in what is described as the 'modern, dynamic economy' (Secretary of State for Work and Pensions, 2006: 3). The ESA is consistent with this line of argument, and, arguably, without the DDA there would be little point in placing greater pressure – as we will shall see that the ESA will do – upon sick and disabled to seek paid work (cf. Grover and Piggott, 2005; Fothergill and Wilson, 2007). Hence, underpinning the drive to get sick and disabled people competing for, and into, work is the idea that post-industrial labour markets – the shift to 'flexible' labour markets in light manufacturing and the service sector – has opened up work opportunities

to them (Grover and Piggott, 2005). In a discourse that is similar to that of the DDA the DWP (2007a: 1) recently argued, for example, that the ESA's Work Capability Test will:

assess what an individual can do – rather than can't do. For example, you will no longer score points simply because you are unable to walk more than 400 metres. Instead the new test will look at things like a person's ability to use a computer keyboard or a mouse, because this type of task is likely to be needed in the workplace.

While such discourse sounds positive and constructs the new Work Capability Assessment as a mechanism that will help people into work, it is difficult to predict how such ways of talking about sickness and disability will be translated into practice. In particular, it is not entirely clear that post-industrial work provides the solution to disabled people's exclusion from labour markets. Barnes (2003), for example, argues that the more technically sophisticated a society becomes the more disability it creates. In terms of employment, this is because supply-side focused measures, such as training schemes and subsidised wages 'reinforce, rather than undermine, the traditional assumption that disabled workers are somehow not equal to non-disabled peers' (ibid.: 66). Moreover, as Weber (2006) points out, changing forms and practices of work may actually eliminate some traditional means of participation by, for example, designing technology that is inaccessible for certain groups of users. Sapey (2000) demonstrates that what he terms the 'informational sector' is less likely to employ disabled people than more traditional industrial sectors. What these points indicate is that there are no guarantees that the post-industrial labour markets will be any more receptive, and may be less receptive, to employing sick and disabled people. And this is before factors are taken into account that, even in the context of the DDA, suggest that many employers are not willing to employ disabled people, particularly those with mental health issues and learning difficulties (SWAN, 2006; RADAR, 2006; Disability Rights Commission, 2007).

The approach of the government also raises questions about where the jobs for a million sick and disabled people are to come from. While those organisations that have a vested interest, because of the privatisation of the Pathways to Work (PtW) initiative, in talking up the potential of markets to provide sick and disabled people with paid work,¹ there is a clear geography of IB receipt concentrated in those areas of Northern England, Scotland and Wales that until the 1980s were characterised by heavy industry and primary production, areas that require employment growth 'to accelerate sharply, or other sources of new labour supply ... to dry up if big reductions in IB claimant numbers are to be absorbed' (Fothergill and Wilson, 2007: 1021; see also Webster, 2006). The government, however, puts its faith in an extension of the PtW initiative as the way of delivering a 'work first' vision to sick and disabled people receiving the new ESA, a service that, on the whole, is to be delivered by the private sector.

Retrenchment and privatising work placement services

Pierson (2006) argues that in analysing retrenchment the focus should be upon structural shifts in the welfare state rather than spending cuts *per se*. In this context, he suggests that transfers of responsibility to the private sector are an indicator of retrenchment. This view is exemplified in the way that employment services for getting sick and disabled people into paid work are, on the whole, to be removed from the public sector service, Jobcentre

Plus. While tranches of the privatisation of Pathways to Work (PtW) were announced in 2007 (DWP 2007b, 2007c), with 40 per cent of Jobcentre Plus areas being left in the public sector, it was announced in February 2008 that all job placement services for ESA claimants would be privatised,² with providers being rewarded for the number of people they place into work and the length of time they stay there (Secretary of State for Work and Pensions, 2007). What this means is that sick and disabled people will be commodified as a resource that can be traded between private sector placement services and employers. In this sense, not only are sick and disabled people increasingly defined as unemployed labour, they are also a resource for private sector companies to profit from; they are a commodity to be traded.

The privatisation of placement services that will underpin the ESA regime also points to the fact that there are often vested interests pushing for welfare retrenchment. The pressure to extend the privatisation of job placement services came from representatives of capital, most notably the investment banker, David Freud (2007, for critique see Grover, 2007) upon whose 'radical vision' the privatisation of ESA job placement is to be based (Secretary of State for Work and Pensions, 2008: 7). Freud was employed to outline policies he felt were required to meet the government target of an 80 per cent employment rate. The use of private sector job placement services, he argued, would be central to this aim (Freud, 2007). The creation of another market through privatisation would be particularly attractive to the private sector because of the amounts of money to be made. 'The fiscal prize', Freud (2007: 75) argued, 'is considerable' for the private sector. Freud demonstrates a connection between the private sector and the public sector at a broad level. There are more direct connections, for the companies that already hold some contracts for the delivery of the PtW programme and are likely to be in the running for the new contracts as ESA also have connections to government. A4e, a 'successful international business and a market leader in global public service reform'³ has a non-executive director who is a former Permanent Secretary of the Department of Trade and Industry, while the Chief Executive Officer of Ingeus Europe Ltd, the parent company of Work Directions ('one of the leading welfare-to-work providers in the country'⁴) is a former Head of Finance for the New Deal Implementation Project. Such networks 'connect major players and are an important avenue through which business is able to "reach" government (Farnsworth, 2006: 83).

In this sense, the interests of the private sector are being privileged in a process of retrenchment over those of the interest groups attempting to defend welfare provision, for there has been much concern raised about the privatisation of job placement services. Central to such concerns is the way in which private sector companies will be paid. MIND (2006, para. 4.4), for instance, is concerned that 'outcome-based contracts will mean contractors focus on getting people off benefit, as opposed to supporting people into suitable employment at a pace that suits them', while the Disability Alliance (2006, para 3.3) is concerned 'about private companies being able to tell disabled people they have to apply for a job or lose their benefit, particularly if the private company has an incentive to do this'.

Such concerns are the consequence of the introduction of the profit motive into employment placement services. This can be fundamentally problematic. In Australia, for example, practices have been identified that 'are arguably fraudulent as well as unethical' (Saunders, 2008: 28). Such practices include getting conscripts on programmes appointed to low status jobs and then having them promoted; paying employers when conscripts do

not turn up for work to demonstrate a continuous record of employment and ‘outcome buying’ (subsidising ‘employers so they will create short-term jobs that would otherwise not exist’) (ibid.). Furthermore, Lilley and Hartwich (2008: 5) argue that the international evidence suggests that: “‘Creaming”, where companies concentrate on the people who are easiest to get back to work, and “parking”, where private providers ignore the hardest to get into employment, can be significant problems.’

Conditional retrenchment: from the Personal Capability Assessment to the Work Capability Assessment

Changing conditions – for example qualifying criteria, under which welfare benefits and services are provided – can be an indication of retrenchment (Palier, 2006; Pierson, 2006). If the toughening of eligibility criteria is an indication of retrenchment, then there can be little doubt that the ESA is an example *par excellence* of it because it will be tougher to claim it in the first instance and, for the work-related activity group, it places employment-related activities more centrally to the process of claiming, and it introduces financial penalties for sick and disabled claimants who are deemed not to be adequately engaging in those activities that are expected of them (Puttick, 2007). As we have noted, the government has been keen to promote the fact that one half of all people applying for ESA will be denied it, a fact that angered disability related voluntary groups who ‘accused the government of “misleading” campaigners by previously saying their reforms were not aimed at removing people from benefits but at giving them more support’.⁵

The figure of a rejection rate of 50 per cent (representing 20,000 applicants) comes from an exercise carried out by working groups, consisting predominantly of medical practitioners (see Physical Function and Mental Health Technical Working Groups, 2006), that suggested 51 per cent of people would fail to meet the criteria of the ESA’s Work Capability Assessment, compared to 39 per cent who would have failed to meet the existing Personal Capability Assessment (Henderson, 2007: para. 28). In other words, the new test will prevent nearly a third more people than the current test from accessing the new income replacement benefit for sick and disabled people. Those people declined ESA will either have to claim Jobseekers’ Allowance or find work.

In the initial three month period – what is termed the ‘assessment phase’ – as well as attending work focused interviews, an applicant will undergo medical examinations to determine whether, first, they have “‘limited capability for work” as a result of his [*sic*] physical or mental condition, and, if he has, whether that limitation makes it unreasonable to require him work’ (Puttick, 2007: 391) and, second, whether limited capability means ‘that it is not reasonable to require him to engage in work related activity’ (ibid.). Those claimants who it is deemed it would be unreasonable to expect to work because of their limited capability will be placed in what is termed the ‘support group’ and will receive a more financially valuable support component of ESA. Those people deemed not to have limited capability for work will be paid a lower level work-related component⁶ that will have job-related conditionality attached (discussed below). In this context, it could be argued that in addition to the economic reasons (see Grover and Piggott, 2005) for distinguishing between the work-related activity and support groups, it is a strategy for weakening the opposition to the ESA by dividing it and concentrating resources on those held to be more deserving; what Pierson (1994: Chapter 1) describes as strategies of division and compensation.

The gateway onto IB was held (Secretary of State for Work and Pensions, 2006) to be only one of the problems with it. Another set of problems was held to be related to the length of time people claimed IB. IB was accused of encouraging people to remain on it because of its structure (the amount of benefit increased as time passed) and because little was expected of IB claimants in terms of their seeking work. The ESA is set to address these issues by, first, ensuring that the amount paid to claimants increases only once, at the end of the 12 week assessment phase providing the claimant has proven that they have a limited capability to work. After that, claimants will receive inflationary increases only. This compares to IB that increases at the 29th and 53rd week of a claim.⁷

Second, and perhaps most controversially the ESA will expect employment support claimants to engage in job-related activities on the threat of benefit sanctions (see Work and Pensions Select Committee, 2006; Messere and Stenger, 2007; Puttick, 2007). If the claimant does not adequately engage in the job-related activities – work-focused interviews, work-focused health assessments and, when financial resources allow, other work related activities – demanded of them, the level of ESA will be reduced in two steps to the level of the Jobseekers Allowance. In this sense, the ESA is part of the trend towards increasing conditionality as part of renegotiated welfare ‘deal’ between the citizen and state (Dwyer, 2004). In the context of this process of the withdrawal from the provision of social rights, concerns have been expressed about impoverishing sick and disabled people through benefit sanctions (Grover, 2007) and the need for compulsion has also been criticised (Stafford, 2003). In particular, concerns have been raised about the extent of conditionality involved in the ESA, given the extent still of disability in labour markets (British Council of Disabled People, 2006), the poor performance of PtW in getting older disabled people into work (Age Concern, 2006) and the poor chances of many sick and disabled people actually getting into work because of the state of local labour markets (Disability Benefits Consortium, 2006). In addition, evidence from the DWP (Mitchell and Woodfield, 2008) suggests that the conditionality attached to PtW has the effect of exacerbating mental health issues.

Conclusion

This paper has argued that we are currently witnessing retrenchment in the income replacement benefits for sick and disabled people. This is visible at the programme and systemic level. At a programme level we can see characteristics – privatisation and changes to the eligibility of rules – outlined by Pierson (2006) as representing retrenchment. We suggest that at a systemic level connections have to be made between public attitudes and social policy changes.

The combination of increased conditionality and the privatisation of job placement services is particularly worrying, for it is at odds with the government’s concern with the social exclusion of sick and disabled people. In contrast, the developments we have outlined suggest that the retrenchment of benefits for sick and disabled people is aimed at the creation of a pool of labour that can be traded between privatised job placement services and employers and, in this sense, the ESA can be interpreted as creating a group of disadvantaged people through which the private sector can profit. In this context, it is difficult to see how the new ESA regime will contribute to the government’s vision that: ‘By 2025, disabled people in Britain should have full opportunities and choices to

improve their quality of life and will be respected and included as equal members of society' (Prime Minister's Strategy Unit, 2005: 6).

Notes

1 The Shaw Trust, for instance, told the Work and Pensions Select Committee (2006, para. 314) that 'they had yet to see evidence that local labour markets were unable to find the jobs required to help more incapacity benefits claimants move into work'.

2 It is the case that voluntary sector organisations can be bid for and have been successful in securing contracts for Pathways to Work. However, it is clear that the preference is for private sector contractors. Of the 35 contracts awarded the vast majority (27 or 77.1 per cent) have gone to the private sector and the proportion awarded to the voluntary sector only increased after protestations from its representatives.

3 <http://www.a4e.co.uk/Home.aspx> (accessed 28 February 2008).

4 <http://www.workdirections.co.uk/default.aspx?SectionID=2&PagesID=2> (accessed 28 February 2008).

5 <http://www.disabilitynow.org.uk/latest-news2/storm-over-new-work-capability-test> (accessed 27 February 2006).

6 For instance, for a single person aged 25 or over (disabled under the age of 35) in receipt of income-based ESA, the difference between the support and work-related activity groups in the level of ESA was £17.60 per week in October 2008.

7 In fact, compared to the existing IB regime, ESA financially disadvantages claimants who were disabled at younger ages (especially under the age of 35 years), particularly those who claim for long periods of time (over a year). So, for example, in October 2008 such a single person in receipt of contributory ESA became £923 per annum worse off under ESA compared to IB if they are in the work-related activity group and £7.80 per annum if they are in the support group.

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