

## **Oxfam GB's response to: 'A new deal for welfare: Empowering people to work'**

### **Oxfam's UK Poverty Programme**

Oxfam GB established a UK Poverty Programme (UKPP) in the mid 1990s in response to a concern that it should begin to address poverty 'at home' in a more systematic way. The overall purpose of the UKPP is to have a direct impact on poverty and social exclusion in the UK, by strengthening the skills and capacity of the community and voluntary sector to tackle poverty more effectively, and by direct lobbying and campaigning based on Oxfam's domestic and international programme experience. In both its international and UK programmes, Oxfam works in alliance with partner organisations in long-term development and anti-poverty work with community groups and people in poverty.

Oxfam takes a 'rights-based' approach to poverty and suffering. We regard poverty as multi-dimensional and complex, comprising at least four aspects: not having enough to live on, not having enough to build from, being excluded from wealth, and being excluded from the power to change things for the better. Thus our definition goes beyond the purely economic to encompass poor capabilities, exclusion, powerlessness and inequity. The UKPP's response is organised around key programme themes: sustainable livelihoods; asylum; and equalities (race and gender).

In our response, Oxfam makes general comments on a range of issues relevant to the Green Paper: the 'sustainable livelihoods' approach; conditionality and compulsion; issues facing lone parents; delivering welfare reform; and the absence of gender analysis. We then make specific comments in response to questions 1-4, 7, 10, and 11 set out in the Paper. For further details about Oxfam's work in the UK, see [www.oxfamgb.org/ukpp](http://www.oxfamgb.org/ukpp)

## General Comments

### The 'sustainable livelihoods' approach

The sustainable livelihoods approach was developed in the 1980s and gained popularity in the 1990s when it was adopted by the Department for International Development (DfID) and agencies such as Oxfam. Our programmes, both internationally and in the UK, use the framework to analyse the capabilities, assets and activities required to make a living. A livelihood may be said to be sustainable when it can cope with stresses and shocks and maintain or enhance its capabilities<sup>1</sup>.

The framework examines a range of assets (financial, human, physical, social, environmental), and looks at the way in which they are used to make a living. It also considers the trends and shocks that have a fundamental impact of people's ability to sustain a livelihood, and the policies, institutions and processes that influence people's access to assets and their ability to build assets.

We recommend that the Department for Work and Pensions, drawing on the experience of DfID and others, should use the sustainable livelihoods approach to develop a more holistic understanding of the interaction between employment, benefits, unpaid work and caring, and financial assets (eg. savings and credit) – and how the mix contributes to people's ability to make a living.

The framework can also help to explain differences in the ways women and men's seek to build livelihoods. For example, a recent Oxfam survey of household livelihoods in Thornaby, in the North East of England, clearly brought out the differences between single males and single female parents. Women often took on unmanageable levels of debt, due to their caring responsibilities, whereas the men refused to take credit and so lived a hand-to-mouth existence. The ability and willingness of both groups to seek employment was very different, and depended, in addition to their skills, on what made them feel secure or insecure.

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<sup>1</sup> Long G., Phillips K., Reynolds B. (2002) The Sustainable Livelihoods Framework: A Scoping Exercise in Scotland, Report for Oxfam UK Poverty Programme, The Active Learning Centre, University of Glasgow.

Based on our evidence we would recommend that the Department for Work and Pensions look at the overall picture of assets and life events (and across the life cycle), rather than limit itself to a snapshot of benefits and employment. As a major department that holds data on individuals at most stages of their lives, and one which has significant links to other departments holding relevant, working-age data, we feel that DWP is ideally placed to take this holistic view.

## **Conditionality and Compulsion**

The Green Paper proposes to increase individual responsibility to participate in the labour market in order to match the rights granted them by the state. We believe that responsibilities are often targeted disproportionately on poor and vulnerable sectors of society – the very groups most in need of a guaranteed set of economic, social and cultural rights<sup>2</sup>. Our programme work also shows that many people throughout the UK are unaware of their rights and/or unable to exercise them. Any approach to increase individual responsibility for employment and job-seeking, particularly with reference to particularly vulnerable groups, must therefore see an equal effort put into ensuring that the state meets its own responsibilities, and that individual rights can be claimed and exercised.

We are very concerned over the introduction of mandatory work-focused interviews, particularly amongst a client group that expresses a wish to return to work in 80-90% of cases. Instead, we suggest it would be more productive to offer additional support and facilitation to this client group. Throughout the Green Paper, there is a consistent willingness to engage with individuals on a one-to-one, personalised basis to provide the necessary support mechanisms. We feel that the blunt tool of compulsion runs contrary to this intent.

We welcome the phased approach to transition into work set out in the paper; we would, however, urge the government to recognise that the vast majority of the most vulnerable people are unable rather than unwilling to exercise their responsibilities, due to barriers in coming off benefits or getting into work. This is particularly true of groups such as those with disabilities, those with long-term illnesses, and lone parents. We believe the emphasis should be on investigating the perceptions of people from these groups of the barriers that they face, and of the support that would help them overcome these.

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<sup>2</sup> Ruxton S., Karim R. (2001) Beyond Civil Rights: Developing Economic, Social and Cultural Rights in the United Kingdom, Oxfam Working Paper

## **Lone parents**

The 'Get Heard' project<sup>3</sup> has identified childcare as one of the main barriers preventing lone parents returning to work. We are therefore pleased to see the additional focus on flexible and wrap-around childcare within discussions around welfare reform. We also support the concept of introducing a duty on local authorities to secure suitable childcare.

The Green Paper recognises that childcare is a key and in many cases, insurmountable barrier to getting lone parents into work, and this chimes with Oxfam's experience. Convenient, affordable childcare, even with the support of tax credits, is still a rarity. The poorest women simply cannot afford to make up the difference between the tax credits they get, and the cost of the childcare they need. This is a particular barrier for women in moving from part-time to full-time work.

## **Delivering welfare reform**

While Oxfam welcomes the commitment in the Green Paper to more customised, individual support, we are concerned that reorganisation and cuts in staffing in relevant employment and benefits services will make improved support very difficult. The most vulnerable people experience particular difficulties in accessing information and support, due to issues such as lack of transport, caring responsibilities, and reduced mobility. They are disproportionately affected by changes in personnel and procedures. They feel the effect most due to their lack of self-confidence and self esteem, brought about by many years of dealing with the day-to-day realities of poverty.

Research has shown that those who required the most help in seeking employment under the Job Seekers Allowance regime, pre Spending Review 2004, were those who received the least help<sup>4</sup>. We feel that the increased demands on the time of JobCentrePlus staff through an increase in the 'active' caseload, and continued restructuring and downsizing within DWP as a whole will exacerbate this situation.

In general, we welcome an extension of the Pathways to Work Programme, and its individually focused approach. However, we are concerned about the extension of a time-intensive programme within the context of large-scale

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<sup>3</sup> 'Get Heard' is a project of the Social Policy Task Force (of which Oxfam's UK Poverty Programme is a member) and the Department for Work and Pensions, funded by the European Commission, the DWP and Oxfam to enable people with experience of poverty to contribute their views to the National Action Plan on Social Inclusion 2006-08.

<sup>4</sup> Wright S., 'The street level implementation of unemployment policy', in Millar J. (ed.) (2003) *Understanding Social Security: Issues for policy and practice*, The Policy Press, Bristol

headcount reductions and budget restrictions within DWP as a whole. In addition, those who have been helped back into work by the programme may be those who are easiest to help, and are not reflective of the wider Incapacity Benefit claimant caseload. On that basis, we feel that the current expectations of cost for the national rollout are too low, and that the expected success rates are too high.

## **The Absence of Gender Analysis**

Oxfam recognises that the Green Paper contains much excellent information about the circumstances of people on incapacity benefits, lone parents, and older workers. What is missing from the paper is a clear recognition that there are strong gender dimensions to the problems of all three groups, and matching recommendations. Men and women's experiences of poverty and of being in receipt of benefits are very different, and so are their routes into employment, and their abilities to build sustainable livelihoods.

For instance, while it is recognised that women are 40 per cent of those claiming incapacity benefits, the fact remains that the majority are men. The long-standing image of an IB claimant as a man in his mid-50s, employed in heavy industry for most of his working life, until incapacitated through industrial injury or disability through work or following redundancy, remains common. Nevertheless in the past ten years, there has been a growth of female claimants. And whereas men are more likely to claim as a result of physical illness and injury (eg. heart disease, arthritis, back pains), women are more likely to claim for mental health and psychological reasons (eg. depression, stress)<sup>5</sup>.

Women's approach to work and training is also very different to men's, as Oxfam's experience with its partners demonstrates. Women are more able to see the benefits of training, and undertake many courses, but often fail to or are unable to translate these into earnings; this is either because they are not inherently high value skills training, or because they the work they obtain is insufficiently paid to enable them to meet childcare costs. Men have clear notions of the kind of work and training they see as fitting to their sense of self.<sup>6 7</sup> For example, men are unwilling to sign up for "basic skills" training, but find it acceptable to consider an "industrial foundation course"<sup>8</sup>.

We also welcome the recognition within the Green Paper that the current welfare and benefits system was originally designed around the concept of a

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<sup>5</sup> McCormick J. (2000) On the sick: incapacity and inclusion, Scottish Council Foundation Paper 17

<sup>6</sup> Fifty voices are better than one: Combating social exclusion and gender stereotyping in Gellideg, in the South Wales Valleys (2003), UK Poverty Programme Oxfam

<sup>7</sup> Ruxton S. (2002) Men, masculinities and poverty in the UK, Oxfam Publications

<sup>8</sup> Bennett C., 'Mainstreaming a male perspective into regeneration: the experience of South Yorkshire', in Ruxton S. (ed) (2004) Gender Equality and Men, Oxfam Publications

male breadwinner, and this model is outdated. There is, however, a need for the DWP to consider the way that benefits entrench stereotypical gender roles, and reinforce job segregation in the labour market.

The recently published Commission on Women and Work report has identified stereotyping as a key issue, particularly affecting women, who do not consider the low level of earning they will gain in “women’s” jobs as worthwhile. In turn, this has an adverse effect on women’s ability to build a sustainable livelihood. Oxfam’s work in Wales and the North of England also demonstrates that men and women’s sense of self-identity rests on powerful stereotypes. Our study of the Job Connect service within Redcar and Cleveland Council concluded that the service reached 75% of men, but only 25% women; the training and support on offer had a strong gender bias, with manual and craft trades overrepresented.

## **Specific Answers to Consultation Questions**

### **Question 1:**

*What else should we consider to give the right incentives to employers to provide increased health support to their workforce?*

The reduction of the number of people on Incapacity Benefit is, as suggested in the Green Paper, crucial to any changes to the welfare system. However, any such reduction must be by increasing the sustainability of employment, and by ensuring that people are genuinely better off in work, and are able to work. The notion of appropriate ‘work’ should also encompass training, therapeutic work and community volunteering.

We welcome the attention given to illnesses developed and managed in the workplace. Those with disabilities and long-term health conditions are those who need the most support from employers, and are conversely least likely to receive support. We would like to see additional support given to those who employ individuals with chronic or fluctuating health-conditions. These measures could include:

- Encouraging the development of clear policies and procedures for supporting employees with disabilities and long-term health conditions. For example, Oxfam GB has an HIV/Aids workplace policy that promotes, among other things, information-provision, confidentiality, non-discrimination, and access to medical treatment
- An examination of the potential of flexible working hours; a reduction in working hours; working some days from home; average working hours contracts for those with fluctuating health conditions, in the same way as has been applied to those with children
- Support to employers for the establishment of confidential workplace counselling systems.

- Greater support to employers to provide 'rest areas' where people with long term conditions, for example ME and thyroid conditions, can fully rest, without having to go home, or shorten their working day.

### **Question 2:**

*How can we best share the evidence for the role of work in recuperation and good practice regarding sickness certification to medical professionals?*

In many instances, the people most at risk of falling into poverty are those in low-paid, low-security jobs. There is a well-established correlation between ill-health and living in a disadvantaged area. Those least able to afford a period of sickness, or falling onto benefits are thus most at risk of doing so.

Moving from a system where GPs assess an individual's incapacity, to one where GPs consider their ability to work and contribute instead, is important. However, this must be balanced with the necessity that GPs should not be directed to force or inappropriately encourage people to return to work where they are not fit to do so, either physically or mentally. GPs and the medical profession must retain their independence in this respect. The Green Paper notes the lack of support services, and we would be keen to see this addressed before any changes to current sickness absence procedures are undertaken.

There is a necessary level of responsibility on individuals to manage their own conditions, in conjunction with their GPs and other medical professionals. However, there is no equal and balancing reference to employers, medical professionals and other social institutions taking increased responsibility for helping those individuals when needed. In many instances, individuals are unable to take steps to help themselves, through a combination of social exclusion and positioning within the labour market: on the lowest rung, no amount of assertiveness around an individual's condition will carry much sway with an employer, unless it is backed up with a balancing obligation on that employer.

### **Question 3:**

*Does this simplification package for Statutory Sick Pay provide incentives for improved absence management and meet the need for reduced bureaucracy? How could the redirected sums of the percentage threshold scheme be most effectively utilised?*

Simplification to the current systems of SSP is to be welcomed, particularly where this will see SSP paid on the first day of sickness; this change will benefit some of the most vulnerable workers in the labour market. However, the tone of the text indicates that the changes have been made primarily to

ease the administrative burden on business, rather than provide assistance to those in need. Those who most often receive SSP are those in the lowest paid jobs, and with the most precarious employment positions.

**Question 4:**

*Do the types of 'suitable activity' we have set out provide a sensible range of activities that could be undertaken in order to fulfill an acceptable action plan?*

Claimants' lives vary tremendously, and we would be keen to see a mechanism put in place that would *ensure* that the action plans that are created allow for a process of building and development, and do not default to a standard plan or proforma.

We are concerned that it will not be possible to distinguish fairly between those who may be able to undertake 'work-related activity' and those who will not be in a position to do so. We note the comments of the Disability Alliance that: *'Many people with severe impediments want to work and could do so and we would not want to see them 'parked' on benefit and ignored. Other people, with what are often considered less severe conditions, like mental ill-health or ME, or those undergoing exhausting treatment (like chemotherapy), may well not be in a position to get involved in work-related activities. We are very worried that this group could find themselves facing sanctions for not co-operating'*.

**Question 7:**

*How do you think that we can best improve work incentives within the new Employment and Support Allowance so that individuals have the opportunity to try out periods of work and progress to full-time work where possible?*

In many cases, individuals will benefit more from having structural barriers (eg. discrimination) removed, rather from increased incentivisation. Pursuing a strategy of increased incentives for those in receipt of ESA risks stratifying the claimants, and increasing the gap in opportunities between people.

The most suitable way of giving individuals the opportunity to try out periods of work is to put in place a system of work experience placements, with accompanying measures such as more flexible working opportunities, on-the-job training, and specific support for vulnerable groups (those who have experienced mental ill-health, homelessness, long-term unemployment, or who live in certain areas).

We welcome the Green Paper's statement that the notional earnings rule may be changed, and commitment made to greater phasing of exit from benefits. This is a key factor for those facing poverty, and particularly for the poorest



women (alongside suitable and affordable childcare arrangements). This would have an impact on the care of children and would contribute to the government's poverty reduction targets.

The issue for many people, both lone parents and other benefit recipients, (as shown by the 'Get Heard' project) is not just the financial dependence on benefits, but rather the security and regularity that they provide; the transition from benefits to paid employment is a dangerous time, and phasing helps to minimise the risks.

**Question 10:**

*Does utilising voluntary sector and private providers in this way sound sensible? Would outcome-based payments incentivise providers to meet the challenges of delivering Pathways to Work and the new arrangements described in Chapter 4?*

We are concerned about the contracting out of large parts of the programme to voluntary and private sector organisations. There is some added value from partnership working, particularly around the assistance of vulnerable groups. However, we feel that, in Government delivering the necessary sustainable and adequate funding for the voluntary sector to carry out these services, an inherent tension may occur between the participative methods used by the voluntary sector to guide their programmes, and the central-policy driven government agenda.

The onus of any welfare reform must be around delivering effective support to those who need it. Pursuing an agenda of incentivisation through private sector companies seems to be, at best, inconsistent with this approach. This inconsistency is particularly marked when considering the additional elements of compulsion under these reforms.

**Question 11:**

*Will this proposal provide an effective mechanism to join up the work of different agencies and make better use of existing funding to tackle the problems in cities?*

We welcome the concept of redirecting funding on a local basis to tackle local problems. However, we are very concerned that there is little or no practical community input into this process. To make a demonstrable difference to local communities within the overall city area, measures need to be community driven, but regionally coordinated to ensure consistency; a top down approach from Local Authorities, particularly in larger Local Authorities, has not proven to be a success in the past.

Oxfam would suggest a participative approach to building partnerships, with local communities at the heart of the decision making process drawing upon what we have learned from our work with others (through the lottery-funded 'Social Inclusion Project') to further the empowerment of men and women with direct experience of poverty. We believe, for example, that it is essential to address some of the barriers to sharing power, both technical (eg. timing of meetings, transparency of information, ways of working, information provision) and the more 'systemic' barriers that have developed through inequitable power sharing in the past; these are based around trust and confidence, and will need wide-ranging strategies in response<sup>9</sup>.

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<sup>9</sup> For further details, see our publications under 'Participation of People in Poverty' at [www.oxfamgb.org/ukpp/resources/index.htm](http://www.oxfamgb.org/ukpp/resources/index.htm)