

## Working with the social partners to improve the access of disadvantaged people to the labour market

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### Policy relevance in the UK

The issue of overcoming labour market disadvantage for the most excluded is high on the UK's policy agenda. In addition to the recent focus on active inclusion coming from the European Commission and our partners in the Open Method of Co-ordination (OMC), the UK Government has, for the last ten years made active labour markets central to its welfare reforms.

In the past, it has been necessary to focus on moving people with few labour market disadvantages back into a job, tackling the high levels of unemployment left over from decades of poor economic performance. However, as active labour market policies have increasingly succeeded in reducing levels of unemployment in the UK, those who remain outside the labour market have increasingly been the people who suffer the greatest barriers to work. Accordingly, the diverse needs of this group have become central to the UK's labour market strategy.

The UK Government's approach to providing work-related support for people facing disadvantage focusses on **personalisation** and **local delivery**. Schemes that have in the past offered a relatively inflexible package of options are being developed to meet individual needs more accurately. Delivery through local partnerships, drawing on the expertise of the private and voluntary sector, ensure that support reflects the reality of local communities and labour markets.

### What social exclusion problems in the peer country it could potentially solve

Improving the access of disadvantaged people to the labour market is the best way of tackling social exclusion amongst people of working age. In the UK, the proportion of the unemployed who are at risk of poverty is particularly high (58%) while the risk of poverty amongst those in work is at the EU average (8%). We also know that being in work is generally good for people's health and well-being. As mentioned above, effective delivery requires sound partnership between Government and external providers. The social partners have an important role to play both as providers and as representatives of key groups of service providers and service users.

### The extent to which it fits with the policy and legislative system in the peer country

Delivering employment programmes in partnership with people outside government is very much a part of the UK's approach and, in particular, very relevant to services for disadvantaged people. As mentioned above, UK employment strategies recognise that support for the most disadvantaged needs to be personalised and local. The Government is often poorly placed to offer this kind of service, while local delivery partners are usually well-placed to respond to the needs of local people both in relation to the network of support available in a locality and in relation to

the particular needs of individuals. This is why, for instance, the New Deal for Disabled People is delivered through local organised that specialise in the issues that disabled people need to overcome before they find work.

Less familiar in a UK context is the specific role of the social partners which, as the Discussion Paper makes clear, exists in a unique form in Austria. The similarities and differences between this approach and that adopted in the UK are set out in more detail later in this paper.

## Current policy experience

The UK shares with other member states a commitment to active inclusion in particular as it relates to improve access to labour markets for the most disadvantaged, ensuring adequate protection for those who do not have a job and developing quality services. Jobcentre Plus provides an employment and benefit service for jobseekers in the UK – and for others of working age who do not have a job. Jobseekers are those who are required to be actively seeking work as a condition of receiving the income maintenance benefit, Jobseekers Allowance (JSA). Active support in finding a job is provided for this group from the date that they claim benefit. Overall, around 60% of jobseekers find work within 6 months of the start of their JSA claim and, for this group, little specialist intervention is required.

Support for jobseekers who remain unemployed for longer than six months is provided through a range of New Deals – for Young People (aged up to 25) for people aged 25+ and for older workers (aged 55 and over). These programmes offer an initial orientation phase of interviews and advice in which the jobseeker is asked to consider what is needed to overcome any barriers to work. This is followed by a period of intensive support lasting 13 to 26 weeks which is intended to address the particular barriers that the individual faces. This can include work-related training or work experience.

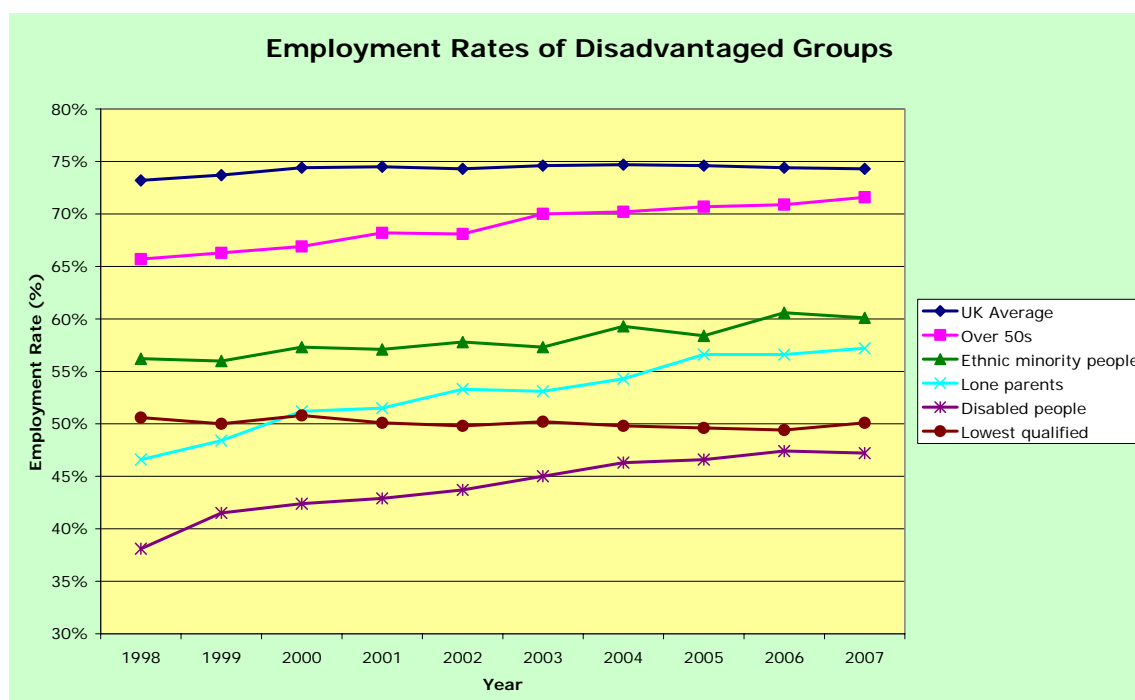
People who are out of work but not required to be looking for a job include lone parents, and people who are currently not able to work because of an illness or a disability. Financial support for people in this category is provided through Income Support and Incapacity Benefit. The New Deals for Lone Parents and for Disabled People (NDDP) offer work-related support in a way that resembles the mandatory New Deals for jobseekers. NDDP, however, is delivered through local delivery agents rather than directly by the Government in order to ensure that the scheme reflects local opportunities and an expert understanding of the needs of disabled people.

Welfare reforms are increasingly focussing on the specific needs of people out of work. From 2009, there will be increased conditionality for lone parents, with some moving onto JSA and the work-focussed support available for jobseekers. For people claiming incapacity benefit from this month, a new work capacity test will be used to identify ability to work and claimants will be required to take part in the Pathways to Work programme. This programme provides access to a personal adviser, followed by a range of work-related support including access to NDDP, a condition management programme or training.

The support for disabled people into and in employment includes a Work Preparation programme and schemes which help employers adapt the workplace and the job to meet the needs of the

employee. A review of disability employment schemes is expected to result in a simplification of the package of support.

Overall, the UK Government has set a goal of an 80% employment rate – and the aim is to increase the employment rate of lone parents (which was below 50% at the beginning of the decade) to 70%. The recent spending review included a commitment by the Department for Work and Pensions to reduce the ‘employment rate gap’ for disadvantaged groups including lone parents, disabled people, people living in disadvantaged neighbourhoods and those with low skills. The chart shows progress: particularly notable has been the reduction by 5 percentage points of the employment rate gap for disabled people with an employment rate for this group of 47.2% in 2007.



### Similarities

The discussion paper sets out a range of objectives which are also recognisable in the UK's social protection and employment programmes. These include:

- cutting the child poverty rate: the UK Government is committed to halving the number of children in poverty between 2000 and 2010 on the way to eradicating child poverty by 2020;
- better integrating disabled people in the labour market – the UK commitment to reducing the employment rate gap is discussed in the previous section;
- older people to remain longer in the labour market: the UK's *extending working life* strategy is focussed on reducing the employment rate gap through better support and training for older workers, tackling age discrimination and developing pension schemes that reward deferred retirement;

- better working conditions: as part of its strategy for reducing the number of people out of work through illness, the UK Government is working with employers to make the workplace safer and healthier.

In terms of programmes, the Austrian model also shows a number of similarities with practice in the UK. These include:

- internet based advice: there is a range of websites in the UK that offer employment related advice for disabled people: *DirectGov*, the Government's advice site; DialUK, a network of advice organisations has an informative website and employ-ability, a not for profit organisation also has a website providing employment advice;
- the WAFF programme for older workers has similarities with the UK's New Deal 50+, in particular, the provision of a case manager (personal adviser in the UK);
- 'a chance for youth' also has similarities with the UK's New Deal for Young People.

### Differences

As the paper makes clear, the social partnership arrangements in Austria are unique. In addition, the UK is far from the general European model of social partnerships, with relatively little formal engagement of the social partners (trades unions and business organisations) in Government decision making. However, both trade unions and business play an important role in considering and commenting on Government policy proposals, with representation on the key advisory body, the Social Security Advisory Committee.

### Measuring policy outcomes

The outcomes of social inclusion policies are measured by a wide range of targets and indicators. These include EU level overarching, context and social inclusion indicators, tertiary indicators reported in the NAP and national poverty indicators reported as part of the *Opportunity for all* process.

Key national targets expressed as Public Service Agreements include the commitment to abolish child poverty and PSA relating to socially excluded adults, older people and employment. Devolved and local governments also have a wide range of social inclusion indicators against which performance can be tracked.

## Transferability of the policy

Need to understand in more detail the exact features of the policy before commenting on transferability.

## Key questions on the agenda in the UK

In the UK, the key issues are:

- what interventions are most effective in supporting disadvantaged people into work?
- the potential tension between getting into work and finding the 'right' job –
  - should people only work if this removes the risk of poverty?
  - how do we ensure that people are able to retain a job?
  - what can we do to ensure that people gain skills and can progress in work?
- the proper balance between rights and responsibilities:
  - is it right that lone parents should be expected to look for work?
  - does the new work capacity test properly reflect the barriers that disabled people face in finding a job?
  - is increasing the retirement age consistent with the working lives of people who have had hard manual jobs?

## Proposed topics for debate at the Peer Review

Some suggested topics include

- in what way is the role of the social partners distinct from other partnership and supplier arrangements? For example, does the voluntary and community sector also offer services to support people into work?
- how are service users and people experiencing poverty engaged in designing and evaluating the processes under review?
- what evaluation is there currently of the effectiveness of the schemes?

what are the budgets and sources of income for the schemes – and how were these awarded and managed?