Reading active labour market policy politically: An autonomist analysis of Britain’s Work Programme and Mandatory Work Activity

Citation for published version:

Digital Object Identifier (DOI):
10.1177/0261018315588231

Link:
Link to publication record in Edinburgh Research Explorer

Document Version:
Peer reviewed version

Published In:
Critical Social Policy

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Abstract

Drawing on Autonomist Marxist theory this article situates the 2010–15 Conservative–Liberal Coalition government’s active labour market policy as the most recent phase in a state ‘strategy of underdevelopment’ (Cleaver, 1977) to erode the autonomy of labour power and facilitate a reconfiguration of labour and work to impose (competition for) undesirable jobs on the terms and conditions offered by capital (Peck, 2001: 349). The article contends that Mandatory Work Activity and the Work Programme facilitate a pattern of differentiated activation, where segmentation and stratification of the non-employed population (re)produces an insecure, disciplined, segmented and stratified labour power for insecure, segmented, stratified labour markets. From the perspective of capital and the state the differential job outcomes associated with these programmes are less a mark of policy failure than of policy success.

Introduction

‘Work first’ active labour market policies that require participants to engage in some form of employment related activity (e.g. job search, updating of CV (curriculum vitae), basic training, unwaged job placements) in exchange for benefit payments and that seek rapid reintegration into employment are not a new development in British social policy. The use of ‘work for your benefit’ type policies and contracting out of employment services for the unemployed has gradually developed over thirty years, from hesitant experimentation under Conservative governments of the 1980s to enthusiastic embrace by New Labour and cross-party acceptance between 1997 and 2010 (Peck, 2001: 332; Gash and Roos, 2012: 15).

Until recently, however, the target for mandated participation in employment related activity in exchange for out of work benefit payments had been those in receipt of the UK unemployment benefit Jobseeker’s Allowance (JSA) (Clasen and Clegg, 2011). Recipients of Income Support (IS), typically paid to lone parents on grounds of their caring for children, or Incapacity Benefit (IB) paid to sick and disabled people unable to take jobs, were generally excluded from mandated participation and/or subject to weaker forms of activation. From 2008 changes to conditions of entitlement for IS and the replacement of IB with a new benefit – Employment and Support Allowance (ESA) – have narrowed eligibility for, and strengthened the work related conditions applied to, out of work benefits on grounds of lone parenthood or sickness or disability. As a result many lone parents and sick and disabled people have been (re)categorised by the state as capable of waged work, or preparing for waged work (Grover and Piggott, 2010; Whitworth and Griggs, 2013). This has grown the portion of the out of work benefit claimant population subject to activation measures including mandated participation in one of the employment schemes introduced by the Conservative–Liberal Coalition government between 2010 and 2015 (see Table 1).

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This article critically examines two of these schemes – Mandatory Work Activity and the Work Programme. Mandatory Work Activity (MWA) is a relatively small scheme geared specifically to imposing ‘work discipline’ by directing some short term JSA claimants into ‘work for your benefit’ placements. The Work Programme (WP) is the Coalition’s flagship active labour market policy for long term JSA and ESA claimants. The WP involves the state contracting out delivery to (predominantly) for-profit providers, relying on a payment by results (PbR) contract to manage and direct provider activity to align with government policy objectives. The Coalition drew on experimentation with such methods by the preceding Labour government, but as discussed below the WP is so far the largest, most comprehensive attempt to organise labour attachment through financial incentives in the UK (Gash and Roos, 2012; Gash et al., 2013: 14–15).

Yet despite the Coalition’s ostensible intentions the WP payment by results system has not led to substantial improvement in job outcome performance or prevented the well-known problem of providers concentrating resources on participants likely to secure employment (‘creaming’), whilst under-providing for participants with complex needs. The latter participate in the programme, but do so without much support (‘parking’). Neither have ‘work for your benefit’ interventions demonstrated much success in securing sustained employment outcomes (WPC, 2011, 2013; DWP, 2012b; Newton et al., 2012; Rahim et al., 2012; CESI, 2014; Rees et al., 2014; Shutes and Taylor, 2014). We might conclude the Coalition’s employment schemes are a policy failure and in need of modification to improve job outcomes and their capacity to serve all participants. Grover (2012: 284–285), however, has made the pertinent point that approaching seemingly flawed activation policy as if it is amenable to corrective technocratic tinkering, depoliticises reform. This leaves questions concerning whether the ostensible policy goals are the only, or even primary objectives, and whether activation is desirable and for whom, underexplored.

Utilising an analytical perspective informed by Autonomist Marxist (hereafter autonomism) theory this article instead reads activation reform ‘politically’, situating it as a product of evolving antagonistic class relations between capital and labour power (Cleaver, 1979, 1981, 1992). The Coalition’s employment schemes are positioned as part of a broad strategic intervention by the state to erode labour power autonomy in response to ‘refusals’ of poor quality jobs. If we take the perspective that capital and the state are committed to furthering and deepening low wage labour market flexibilisation then the WP and MWA are two of the latest tools developed by the British state to discipline labour power and organise the form, extent and pace of its reintegration into (competition for) jobs marked by instability and low pay (Peck, 2001: 188). When judged as
interventions to manage labour power and buttress capital’s authority then the reforms appear to be working reasonably well.

Before proceeding it is necessary to clarify that following Standing (2014: 966) the discussion makes a distinction between labour power, labour, and work. Labour power is used to encompass individuals who rely upon selling their skills, behaviour and attitudes, transforming them into a commodity (commodification) for purchase by capital (employers as a class interest) (Cleaver, 1979: 69; Marx and Engels, 1985: 87; Standing, 2014). When referring to activity undertaken by labour power for waged work that takes place through employment in the formal/informal economy the term labour is used. For activity outside of employment, including unwaged caring work and participation in labour related activity (revising CVs, meeting job application targets) which reproduces labour power and hence capitalism, the term work is used (Standing, 2013: 11).

**Autonomist Marxism: Capitalist development, the refusal of work and class composition**

A central premise of autonomism is that, while labour is the source of labour power’s subordination and alienation, it also gives labour power an embedded capacity to disrupt and threaten capitalist social relations by fleeing the imposition of labour (Tronti, 1980: 32; Holloway, 1995; Burgmann, 2013: 175). Labour power is not simply an object of exploitation and victimisation governed by the preferences and ideas of capital (Holloway, 1995: 178) but is in fact the driver for capitalist development (Tronti, 1980: 31; Witheford, 1994: 89; Wright, 2002). The ceaseless remaking of technological, economic and social relations of production is interpreted as a response to disruption by labour power as capital seeks at once to reduce its reliance upon labour power, whilst (re)imposing labour and work to foster capital accumulation (Cleaver, 1992: 114; Burgmann, 2013: 171). Cleaver (1977: 88), for example, identifies the post-1945 Fordist class compromise as a strategy of development, whereby capital and the trade unions agreed to wage rises and investments in human capital and the social wage (better public services and more encompassing social security) for improvements in productivity that promoted accumulation. A strategy of underdevelopment, in contrast, is characterised as ‘dis-investment’ through reductions in wages and the (social) wage as the means to strengthen labour power’s engagement in labour and work (Cleaver, 1977: 94; Byrne, 2005: 49).

Under Fordism the strategy of development meant that struggles to increase wages were incorporated into the system as a mechanism to ratchet up rapid technical development in the methods of production and foster increased economic growth (Cleaver, 2012). Labour power’s exercise of self-activity provided the motor of capitalism, but eventually generated new tensions. During the 1960s–1970s waged workers increasingly rejected ‘Taylorist’ labour processes through wildcat strikes, go slows, absenteeism and deliberate sabotage of machinery (Sheppard and Herrick, 1972; Benyon, 1975: 139; Aronowitz, 1992: 26) and together with the contestation of the broader (patriarchal) organisation of labour and work by women (Weeks, 2011), fundamentally challenged the authority and functioning of Fordism (Jessop, 2013). For autonomists the challenge to the class compromise did not arise from capital’s pursuit of neo-liberal ideas; it originated in the rejection (the refusal of work) of the productivist paternalism of traditional social democracy by labour power itself, acting autonomously from capital and trade unions (Cleaver, 1979: 39; Tronti, 2010: 187; Weeks, 2011; Garrett, 2014: 1698).
The refusal of the Fordist class compromise by labour power provoked capital and the state to seek the transformation of what autonomists conceptualise as the technical class composition, and political class composition of labour power. The technical class composition refers to how labour power is stratified in relation to labour and work to fulfil particular roles under a given configuration of capitalist relations of (re)production (e.g. Fordism). The political class composition, meanwhile, incorporates how labour power’s attitudes and/or behaviour either align with interests of capital or foster labour solidarity, and what specific forms of organisation/action this takes (Bowman, 2012). A political class composition that resists the imposition of capital’s authority leads capital to pursue ‘decomposition’ of the technical class composition, removing the foundations of labour power’s strength. The technical class composition of Fordism involving the full employment of the (male) industrial working class provided the foundation for a political class composition that enabled ‘refusals of work’ during the 1960s and 1970s. To break the political class composition of industrial labour power, capital needed to (re)impose the centrality of labour and work and this involved the reconstitution of the reserve army of labour (Cleaver, 1977, cited in Byrne, 2005: 49).

The reserve army, labour market restructuring and social security

The concept of the active army and reserve army of labour refers to the division between people employed in formal waged labour and those outside of the employment relation. The active army includes a core who enjoy the highest levels of remuneration and job security (primary labour market) and a more peripheral ‘contingent’ labour force employed for lower wages working in more insecure jobs (secondary labour market) (Peck, 2001: 42–43). Similarly, the reserve army is also stratified; it encompasses waged workers made redundant by technological developments and the business cycle, but who remain close to the labour market (the floating segment); labour power that could be drawn into employment from non-waged activity (the latent segment); and people perceived to be unlikely to take waged work because of impairment, sickness or age (the stagnant segment) (Marx, 2013: 448–451). The reserve army provides a supply of labour to direct to emerging growth areas as capital periodically absorbs, dismisses and (re)forms the reserve army in the expansion and contraction of economic growth. It also disciplines labour power with the active army, understanding the reserve army to exist as potential substitute workers, encouraging moderation of demands for improved terms and conditions of employment (Gough, 1981: 26; Grover, 2003: 19; Byrne, 2005: 42). How an individual is positioned in relation to participation in, and the queue for, waged work and who is assigned to what type of (re)productive labour is structured by social divisions relating to gender, age, educational qualifications, disability and ethnicity. Historically women and disabled people along with minority ethnic groups have been under-represented in the core labour force and over-represented in secondary labour markets (active army) and the reserve army, giving rise to divisions and inequalities within labour power that capital exploits (Post, 2006).

From an autonomist perspective the de-industrialisation of Britain’s economy and remaking of the technical class composition of Fordist labour was a deliberate political move by capital enacted in response to labour power. Through economic and labour market restructuring capital discharged one set of (male industrial) labour power into the reserve army, while simultaneously drawing on a portion of labour power previously consigned to the reserve army to take job opportunities in the post-industrial service economy (Cleaver, 1981: 114; Negri, 1988: 107; see also Schmidt, 2011). This has opened up new employment options, but the labour market remains a site of social stratification and segmentation that harnesses and reproduces social division. Women’s employment participation rate, for example, has increased from 53% in 1971 to 67% in 2013, but remains below
that of men at 76%, while women make up a disproportionate number of employees in low paid sectors, such as caring (82%), customer services (63%) and administration (77%). A greater proportion of employed working age women (42%) are also employed in part-time jobs than employed working age men (12%) (ONS, 2013: 1). Similarly, employment participation of working age disabled people reached 46.3% in 2012, suggesting that whilst participation remains substantially below the rate for non-disabled people (76.4%), the historical exclusion of disabled people from employment is weakening (Barnes and Mercer, 2005: 536; DWP/ODI, 2014). Yet rising participation in employment has not eliminated labour market inequalities. A higher proportion of disabled people than non-disabled people at equivalent levels of qualifications continue to experience low pay. (MacInnes et al., 2014: 33).

The rapid pace of economic and employment change during the 1980s and 1990s reconstituted the reserve army and broke the strength of labour power, but this generated new problems for capital as these changes outpaced government reforms of social security and labour market institutions. Activists from within the autonomist tradition, for example, have suggested that the removal of labour power’s refusal of work from industry through mass unemployment transferred the refusal of work to the social security system. The availability of unemployment benefit and other out of work benefits effectively provided the means for a portion of labour power to live outside the employment relation and supported some individuals to engage in political activity against the state (Aufheben UK, 2007: 2). To simplify, this was possible because of the lag in adapting a social security system that had evolved with Fordism after 1945. This was grounded in comparably stable full employment and occupational careers for male labour power and the hierarchical subordination and relative exclusion from employment of women and disabled people, segmenting and stratifying labour power. The structure of social security reflected this division of labour power and pattern of employment. Those individuals capital and state deemed economically inactive claimants were not subject to the employment-seeking requirements of unemployment benefit recipients (Dostal, 2008: 31). Meanwhile unemployment benefit included a greater role (albeit limited) for contributions-based entitlement and provision to impose restrictions on types of employment sought. Until the replacement of the Unemployment Benefit by Jobseeker’s Allowance in 1996, unemployed labour power for example was subject to considerably weaker job search conditions and levels and duration of benefit sanctions (Harris, 2008: 54; Clasen and Clegg, 2011) than currently pertain. Similarly the most significant curtailment of entitlement and imposition of work related conditionality to the ‘inactive’ benefits IS and ESA (previously Incapacity Benefit) have only come into play since 2008. Temporal misalignment between the creation of a low wage flexible labour market and the reform of existing policy to maximise labour power re-commodification essentially left a ‘crack’ in capitalism that enabled labour power to exercise autonomy and evade (however partial and imperfect) the domination of capital (see Holloway, 2010).

The refusal of undesirable labour

Labour power has repeatedly expressed a questioning of successive governments’ dictum that taking any low paid, insecure job is better than not being employed and indicated a willingness to attach caveats to their availability for labour. A survey commissioned by the Department for Work and Pensions of their low income ‘customer base’ (DWP, 2011), for example, records that 17% of the survey respondents (whom the authors label Determined Seekers) reported a willingness to take any job. To varying degrees most other active job seeking respondents (judged according to hours of active job search) were wary about making themselves available for ‘any job’. Meanwhile, over one-fifth (22%) of respondents expressed opposition to employment on grounds of benefits being better,
or being focused on the home (often this reflected caring responsibility) (DWP, 2011). Other research also indicates that labour power has not fully internalised the message from successive British governments that all employment, irrespective of terms and conditions is superior to receiving out of work benefits. Barnes and Tomaszewski’s (2010: 208) survey of non-employed lone mother recipients of Income Support reported that, while a plurality of respondents expressed agreement that any job was better than no job (42%), this was rejected by a large minority (33%). Lindsay and McQuaid’s (2004: 311) survey of unemployed people found 51% of respondents willing to rule out employment in call centres, 38% willing to rule out working in the retail sector and 41% willing to rule out work in the hospitality sector. The strongest ‘resisters’ to jobs in retail and hospitality were typically male, aged over 25, less confident in their interpersonal skills, lacking previous experience in the sector and holding to a higher reservation wage (Lindsay and McQuaid, 2004: 307). Ray et al. (2009: 982) similarly detected resistance amongst older skilled workers to policy interventions that sought to activate them into low paid unskilled jobs. Giazitzoglou’s (2014) qualitative study of unemployed men identifies various dispositions towards paid work, but with a subset of those studied (the drifters) expressing vigorous antagonism towards participation in paid work, a contentment with life in receipt of social security and willingness to recount the active evasion of job search requirements. Giazitzoglou (2014: 345) concludes the active refusal of work amongst this group is a pragmatic response to their few skills and, at best, precarious employment.

Dunn’s (2010a, 2010b) qualitative research into attitudes towards employment also indicates that whilst some JSA claimants were in search of even poor quality jobs, others expressed a preference for ‘dole to drudgery’ (Dunn, 2010a: 11). Dunn acknowledges that constraints on employment, including the availability of job vacancies can and do affect capacity to take up paid work, but the point being made is that the stated preferences and behaviour of some claimants indicate a more circumspect attitude toward paid work than is often implied in mainstream social policy analysis (Dunn et al., 2014). My intention is not to suggest claimants are feckless individuals, or are expressing a radical rejection of employment, but to draw attention to labour power’s autonomous questioning of the demand they make themselves available for all existing job vacancies. Whether or not enough jobs exist, the point is that capital’s authority and Britain’s economy rests upon the imposition of this less desirable labour (Cleaver, 2012). It consequently falls to the state to ensure labour power is compelled to labour, or to engage in work for labour necessary to impose discipline and bring labour power into competition for such jobs (Standing, 2014).

Labour activation, low wage work and economic strategy

The incremental curtailment of eligibility and strengthening of work related conditionality attached to working age out of work benefits under the Conservative governments of the 1990s and Labour governments of the 1990s and 2000s (Peck, 2001; Clasen and Clegg, 2011), reflect a gradual closure of social security benefits as a route to sustaining oneself outside of the employment relation and hence as a source of labour power autonomy. As Byrne (2005: 47) has argued, the focus on ‘exclusion’ from paid work is not because those excluded are marginal to production, but because their integration into a cycle of poor jobs–no jobs is essential to capitalist authority and accumulation in the UK variant of post-Fordism. Exclusion from employment is perceived to diminish ‘job readiness’, eroding the usefulness of the reserve army as a source of labour for employers and weakening its disciplinary effect on those in employment. New Labour’s reforms, for example, were premised on the notion that long term JSA claimants and claimants of IS and IB were detached from the labour market and hence competition for jobs (they had ceased to be part of the effective supply of labour) (Grover, 2003). In response, the state promoted a combination of support and
conditionality to reshuffle the stock of unemployed and economically inactive claimants – the goal being to draw a portion of claimants into the ‘floating’ segment of the reserve army, able to compete for low wage jobs (Grover, 2003; Byrne, 2005: 73).

From 2008 a more aggressive strategy to ratchet up the mobilisation of lone parent IS claimants and those in receipt of IB began to be pursued, through the strengthening of work related requirements attached to benefits and a narrowing of conditions of entitlements. Over the course of 4 years access to IS on grounds of lone parenthood was progressively curtailed so that now only those lone parents with a youngest dependant aged under 5 years qualify. Lone parents with older children must now take jobs or claim JSA (Whitworth and Griggs, 2013). Meanwhile IB has been replaced by the ESA which applies a stricter test of work-limiting disability or illness with the result that many applying for ESA end up on JSA. Those who qualify for ESA face further assessment resulting in categorisation into either the Support Group (SG) or Work Related Activity Group (WRAG). The SG is intended to cover those whose condition is severe and/or long term and are exempt from employment and work related activity. The WRAG (covering the majority) is for people assessed as temporarily incapable of paid work and as such are positioned as being on a journey back into employment and required to engage in job preparation activity. The drawing more tightly of the circumstances under which claimants are not expected to participate in job related activity means distinctions previously drawn between unemployed and ‘inactive’ labour power are collapsing (Clasen and Clegg, 2011). At the same time this reform is simultaneously facilitating a more refined sorting of the newly activated into those capital deems to be more or less employable (Grover and Piggott, 2010).

We are witnessing a strategy of underdevelopment as the means for achieving differential recommodification so as to recast the composition of non-employed and employed labour power. The intensification of this trend under the Coalition cannot be separated from what Berry (2014: 606) characterises as the UK government’s attempt to stabilise and re-embed an Anglo-liberal model of growth that rests on high levels of consumption, rising house prices, debt and a low wage labour intensive service sector. The long term project of eroding labour power’s autonomy to facilitate capital accumulation is aligned with government commitment to ‘expansionary fiscal contraction’. This economic strategy is premised upon using monetary policy to offset reductions in demand brought about by public spending restraint. The presumption is a low interest rate reduces the cost of debt and the incentive to save. This encourages a rise in personal consumption and borrowing for investment by business while making British exports more competitive internationally (Baker, 2010: 5). The Secretary of State for Work and Pensions – Iain Duncan Smith MP – and the Monetary Policy Committee of the Bank of England have themselves linked Coalition activation reforms to grow the labour supply with the scope the Bank has to maintain a 0.5% interest rate (Duncan Smith, 2014; Bank of England, 2014: 7–9). Active labour market policy is positioned as integral to sustaining a low interest rate and renewing capital accumulation by supporting the expansion of low paid and atypical forms of employment (Lallement, 2011: 635) that have grown in the aftermath of the financial crisis.

Between 2008 and 2014, for example, the number of people employed part-time increased by almost 9% and self-employment rose by 18%, whilst full-time employment largely stagnated (Wilson and Bivand, 2014: 4). Zero hours contracts that provide no guarantee of employment have also gained prominence as capital has expanded the use of labour power at the periphery to meet shifting demands and avoid the costs associated with the ‘core’ labour force. The Chartered Institute of Personnel and Development has suggested 1 million people are on zero hour contracts, whilst the Office for National Statistics estimates 583,000 employees were on zero hour contracts at the end of
2013 (ONS, 2014a: 3; Pyper and McGuinness, 2014: 4). For many individuals low wage jobs are a trap from which they cannot escape. Analysis of pay progression between 2002 and 2012 indicates that 27% of people starting on low wages during this period remained low paid throughout, whilst 46% who successfully secured higher pay were unable to sustain this and cycled back into low pay by 2012 (Hurrell, 2013: 16). In addition, between April 2009 and April 2014 the value of wages eroded as wage increases have been outpaced by rises in both the Consumer Price Index and Retail Price Index rate of inflation (ONS, 2014b: 18). In caring and sales occupations, for example, median earnings increased by only 1.1% and 1.5% respectively between 2011 and 2013, much lower than the 6.4% rise in the Retail Price Index during this period (Wilson and Bivand, 2014: 47). Overall the trajectory of Britain’s post-industrial labour market indicates the number of well paid jobs involving routine, but skilled work has experienced relative stagnation, with employment growth concentrated in the expansion of low paid jobs that require few specialist skills (which can be done by most people) and (smaller growth) high paid jobs that require what capital deems higher (more scarce) skills (DBIS, 2013: 7–11; Wilson and Bivand, 2014: 11). We now turn our attention to two of the Coalition’s employment schemes whose purpose is to foster labour power’s willingness to take any job.

**Directing labour power to labour in the low wage service sector**

Introduced in 2011, Mandatory Work Activity (MWA) is targeted at JSA claimants prior to their reaching the point at which they become eligible for the Work Programme. MWA gives staff of the public employment service – Jobcentre Plus – the option to mandate JSA claimants into a work placement (sourced by contracted providers) lasting 30 hours per week for 4 weeks. Reasons for MWA referral are subjective, resting on the advisor’s perception of the claimant’s attitude and capabilities – including whether the client lacks recent work experience, enthusiasm for speculative job search, has unrealistic employment expectations, poor punctuality and weak understanding of job search support (House of Lords, 2011: 5). Claimants who refuse or fail to complete a placement may receive a 13-week benefit sanction (first refusal) or 26-week sanction (second refusal) (DWP, 2011). Although MWA is a niche programme, with fewer than 5000 claimants per month starting a placement between May 2011 and August 2013 (DWP, 2014c: 4), it strengthens the overall ‘threat’ effect of the broader activation environment. The ‘threat’ of mandated activity into unwaged labour is a key feature of workfare schemes as the intention is to both reduce the flow into out of work benefits and accelerate the departure of the most employable who are claiming (Mead, 1997: 66). MWA shows how the state is reshaping provision to prevent labour power utilising social security as a means to exercise some discretion over job entry, even in the short term. Indeed government’s ‘critical success factors’ for MWA make this plain. These include inculcation of the disciplines associated with employment, enforcing compliance with JSA job search requirements and the diversion of claimants from benefit (DWP, 2014d: 6).

An evaluation of the early stages of the MWA programme in 2011 suggested those referred to MWA were 5 percentage points less likely to be in receipt of JSA after 10 weeks than a matched group of non-referrals. For referrals who did not start a placement they were 12 percentage points less likely be in receipt of JSA at 10 weeks and 64% of non-starters had ceased to claim JSA. After 21 weeks, however, there was no difference in the proportion of MWA referrals and non-referrals in receipt of benefit. This suggests that MWA does not prevent social security claims entirely but functions to regulate access in such a way as to accelerate labour market transitions (DWP, 2012a: 46) in keeping with existing patterns of labour market segmentation and stratification. From the MWA data alone we cannot draw firm conclusions as to where non-starters go. Some may continue claiming JSA and
be sanctioned, some may continue to claim JSA and not be sanctioned, whilst others will have signed off JSA. Nonetheless the patterning of non-starts does suggest MWA participation is structured by social divisions. Claimants with characteristics associated with greater disadvantage in the labour market for example, are more likely to go on to start a placement after referral. Only 9% of total referrals to MWA have been for those aged 50+, but 49% go on to start a placement compared to 40% of the 25–49 age group and 36% of 18–24 year olds. A higher proportion of referred claimants with a self-identified disability (42%) compared to those without (38%) also go on to start a placement (Figure 1), while overall a greater portion of male referrals (62%) than female referrals (55%) do not start their MWA placement. Research on the type of placements and activity undertaken by MWA participants indicates the scheme is predominantly oriented to developing the soft skills and job ‘discipline’ valued in low wage customer service and care jobs, with early evaluation of the MWA recording the majority of placements located in charity shops (DWP, 2012b: 36). Moreover, a higher proportion of women were placed in retail activity than men and a higher proportion of women and younger participants were engaged in customer service work (DWP, 2012b: 42).

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Figure 1.
Mandatory Work Activity referral and starts May 2011–August 2013.

Source: DWP (2013a: 5, Table 2).

The 45% of participants who reported learning new skills identified ‘skills’ typically associated with service work (social skills, working as a team, customer relations, confidence, communication) (DWP, 2012b: 46). MWA is explicitly a disciplinary and propaganda tool to communicate to labour power in general the necessity of compliance with seeking and taking up any paid work. From an autonomist perspective MWA is a strategy of underdevelopment intended to promote and organise differentiated labour attachment. By reducing JSA claimants’ capacity to exercise autonomy the state fosters voluntary exit, whether this is into formal or informal employment is unclear. Though the enhanced capacity of the state to rapidly propel labour power back into labour (Peck and Theodore, 2000) supports further informalisation of jobs (Standing, 2014) in the formal secondary labour market. For those who participate in MWA, its ‘training’ function is limited to crafting more
amenable claimants willing and able to adopt the behaviour to compete for low waged service sector jobs. MWA reinforces the ‘work first’ message and imposes labour discipline at the margins of the claimant population, potentially generating direct small additional transitions into the floating segment of the reserve army (peripheral, precarious labour power).

**The Work Programme: Economic rationality and differential activation**

The Work Programme is similarly promoting a sifting of a labour supply engorged by the activation reforms to lone parent and sickness and disability benefits discussed above. The Work Programme is delivered across Britain in 18 Contract Package Areas (CPAs) by ‘Prime Providers’ who hold one or more of 40 contracts (2–3 Primes per CPA). It represents the most sophisticated application yet of market rationality to structure contracted-out return to work services. The premise is that financial signals can align the interests of contracted-out providers with the objectives of the state to deliver tailored and effective return to work interventions for the ‘job ready’ and individuals deemed by the state to be less employable (Gash and Roos, 2012). Whether this occurs or not rests on the effectiveness of two innovative aspects of the Work Programme – the Payment by Results (PbR) and Differential Pricing (DP) systems (Rees et al., 2014). The PbR system organises payments into four categories: a payment for attachment of a claimant to the programme (this ceased in April 2014 – see Table 2); a payment for securing a claimant job outcome; a payment for sustaining the job outcome; and an incentive payment for exceeding by 30% a non-intervention level of performance (job outcomes the government expect to occur in the absence of the WP) (Table 2). Though Prime Providers are rewarded for job outcomes sustained, they are not specifically rewarded for clients’ achievement of continuous full-time jobs – job outcomes can be part-time and involve one or more period of employment/unemployment over the duration of the 2-year client attachment to a provider (DWP, 2014b; NAO, 2014). This is commensurate with creating a flexibilised labour force, rapidly cycling through low wage service jobs or transitions between low and no wages.

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**Table 2.**

**Summary of Work Programme Payment by Results model.**

PbR is ostensibly to encourage continuous performance improvements over the course of the contract. The attachment fee that providers claim in year 1 for each participant they take on, decreases in value each subsequent year and from year 4 ceases to be paid, shifting contracts to
100% outcome based. The amount a provider can secure for each payment element varies depending on the type of claimant, with programme caseload separated into nine payment groups linked to social security benefit and personal characteristics (Differential Pricing). Higher fees are attached to payment groups deemed likely to contain participants with more severe health problems, impairments and/or long term absence from employment (Figure 2). The Department for Work and Pensions’ analysis of past employment scheme performance was used to set a Minimum Performance Level (MPL) requiring providers to achieve performance 10% higher than non-intervention for each year of the contract for three of the nine payment groups (JSA 18–24; JSA 25+; and ESA Work Related Activity Group, fit for work in 3 months) (Table 2). The National Audit Office described these figures as optimistic (NAO, 2012: 6), and analysis by the Centre for Economic and Social Inclusion suggested that the minimum performance levels were equivalent to the highest ever achieved under Labour’s New Deals for Young People and over 25s (Work and Pensions Committee: 2011: 33). Not only did the government set demanding targets (see NAO, 2012); in order to drive down the value of contracts further it allowed bidding organisations to discount against the fees set, reducing the fees government would have to pay a provider. Rather than an unfortunate side effect, the practice of creaming and parking between and within payment groups in the WP (see below) is a consequence of the financial incentives built into the commissioning and performance model.

Figure 2.

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Figure 2.

Work Programme Differential Pricing model.


First, the incentive for moving clients from particular payment groups into employment is lower than the headline figures (Figure 2) suggest, as they do not reflect that a provider will move fewer ESA clients into employment than JSA clients. The actual average value of each ESA claimant moved into sustained employment is lower than the single unit value as this excludes the cost of supporting unsuccessful ESA clients. The Institute for Public Policy Research calculates that moving a New ESA payment group client into employment is actually worth £386, which compares poorly with £852 per JSA 25+ or £903 per JSA 18–24 participant (Davies and Raikes, 2014: 12). The economic rationality of the PbR and DP incentivises providers to accelerate the re-entry of those claimants capital deems
‘most employable’ and this is happening. Analysis of the proportion of participants joining the Work Programme in December 2012 who secured a job within 12 months indicated that about 5% of the New ESA group were successful compared to about 15% for the JSA 18–24 year olds and just under this for the JSA 25+ (Davies and Raikes, 2014: 9–10). There is also evidence that differential pricing according to payment group has permitted creaming and parking within payment groups. Prime Providers are conducting their own assessments using a Green (job ready), Amber (some assistance required), Red (little or no support) system for classification of clients and allocation of resources (Newton et al., 2012: 111; Rees et al., 2014: 229). Rees et al. (2014: 233), for example, found participants with a self-reported disability, irrespective of payment group had weaker job outcomes than those without.

The Work Programme is not so much reducing labour market stratification as reproducing it. We should not surmise this means DP is ineffective, rather that it helps realise different objectives. The Work Programme was introduced in the context of austerity and a weak labour market by a government determined to embed a low cost work first quasi-market of large for-profit providers. To make the income of providers overly dependent on outcomes for the least employable of their clients in these circumstances would have risked provider stability while reducing the speed at which more employable participants were reattached to jobs. In giving providers scope to cream and park within and between payment groups the DP and PbR enabled the government to ramp up the reattachment of employable labour power for the vacancies that exist, while driving down the cost of the programme (NAO, 2014) without calling the viability of the quasi-market into question.

In the aftermath of the 2008–09 recession business was already able to draw upon the under-employed and the cyclically unemployed (ONS, 2012). Through shuffling and sifting activated non-employed labour power, the WP and MWA, along with other employment schemes, help manage transitions into employment and into the floating segment of the reserve army of labour in support of further labour market flexibilisation and labour power commodification. Even participants who are parked are only temporarily demobilised, as upon exiting the WP they enter the Help to Work scheme which includes either state directed work activity or a Community Work Placement (similar to MWA). The latter is organised into the same 18 CPAs as used for the WP and almost one-third of the Community Work Placement contracts have gone to Prime Providers already delivering return to work services in that WP CPA (McGuinness, 2014: 7).

Conclusions: Differentiated underdevelopment

Grover (2012) has suggested that the contemporary activation reforms involve a process of ‘active proletarianisation’ whereby the income of labour power is made increasingly dependent upon either low wage labour or its willingness to engage in work for labour that prepares it to compete for such jobs. Drawing on autonomist theory this article provides a complementary analysis of the role played by key employment schemes under the Coalition government. The MWA and WP function as an integral part of a broader strategy of underdevelopment adopted by the state as the means to erode labour power’s autonomy over waged work in response to labour power’s contestation that any job is better than no job. Importantly the schemes also organise how labour power is (re)connected to the labour market.

The expansion of ‘work for your benefit’ schemes, contracting out to for-profit providers and use of relatively sophisticated systems of financial incentives provide a new institutional framework for processing and sifting a labour supply expanded by working age benefits reforms. Mandatory Work
Activity is perhaps the clearest example in the UK of the practice, common in workfare, of applying a threat of mandatory activity to raise the velocity of employment/unemployment transitions, reducing the duration of benefit claims and accelerating caseload reduction (Peck and Theodore, 2000: 120). The Work Programme is ostensibly about securing job outcomes across a diverse body of non-employed labour power using economic rationality to drive performance. Analysts rightly point out that contracting out and the new market structure, however, have not eliminated creaming of the more employable and parking of the least employable. Carter and Whitworth (2015) have suggested that inadvertently built into the WP were ‘perverse’ incentives to focus on the job ready that the PbR and DP mechanisms were intended to mitigate. The autonomist perspective outlined here, however, suggests this is less an oversight than an unstated function of a scheme embedded in antagonistic class relations. Creaming and parking are explicable as components of the state’s pursuit of differentiated activation to (re)produce insecure, segmented, stratified labour power for a labour market restructured to align with the Coalition’s preferred economic strategy (Berry, 2014) and capital’s long term authority.
<table>
<thead>
<tr>
<th>Programme</th>
<th>Participants</th>
<th>Participation</th>
<th>Entry and Duration</th>
<th>Contracted out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Experience</td>
<td>JSA 18-24</td>
<td>Voluntary. Withdrawal now permitted after 7 days</td>
<td>Entry permitted at 3 months. 25-30 hours per week for 2-8 weeks</td>
<td>No. Jobcentre Plus administers/ matches clients to placement</td>
</tr>
<tr>
<td>Mandatory Work Activity</td>
<td>JSA claimants</td>
<td>Mandatory if directed by employment service provider</td>
<td>Entry permitted after 13 weeks. 30 hours per week for 4 weeks</td>
<td>Yes. 11 contract Package Areas each with a ‘Prime Provider’</td>
</tr>
<tr>
<td>Work Trials</td>
<td>Available to JSA/ ESA/ IS</td>
<td>Voluntary. Participants given trial for vacancy and keep benefits (+ expenses). Lasts up to 30 days. Employer decides whether to keep the participant on</td>
<td>Entry after 6 months for JSA. Immediate eligibility for other claimants</td>
<td>No. Jobcentre Plus administers</td>
</tr>
<tr>
<td>Sector based academies</td>
<td>JSA and ESA WRAG</td>
<td>Voluntary but failure to continue may lead to sanction. Involves specific business sector training, 6 weeks work experience with guaranteed job interview. Participant receives benefits and expenses</td>
<td>Any point prior to referral to Work Programme</td>
<td>DWP led. Joint funding with Skills Funding Agency of training delivered by external organisations</td>
</tr>
<tr>
<td>Help to Work</td>
<td>JSA</td>
<td>Mandatory. Three strands: Community Work Placement (6 months unpaid); daily sign on at JCP; JCP intensive support</td>
<td>Entry after completion of Work Programme</td>
<td>Intensive support and daily signing = no Community Work Placement = yes. 18 Contract Package Areas with single provider</td>
</tr>
</tbody>
</table>

### Table 2: Summary of Work Programme Payment by Results model

<table>
<thead>
<tr>
<th>Minimum Performance Level</th>
<th>Providers to achieve performance 10% above ‘non-intervention’ level for PG 1; 2 &amp; 6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Outcome fee</td>
<td>Payable after employment for a specific period (varies by group).</td>
</tr>
<tr>
<td>Sustained job outcome fee</td>
<td>Payable every four weeks where client maintains employment (duration varies by group).</td>
</tr>
<tr>
<td>Incentive fee</td>
<td>Performance 30% above ‘non-intervention’ level.</td>
</tr>
<tr>
<td>Attachment fee</td>
<td>Payable upon client enrolment. Payment declines (100% paid in year 1; 0% year 4 onwards).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract duration and providers</th>
<th>5 years. 18 Prime Providers (responsible for managing supply chain of sub-contractors). 40 Contract Package Areas each with 2-3 Primes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant choice</td>
<td>No. Government department can re-allocate caseload between Primes in a CPA in light of performance.</td>
</tr>
</tbody>
</table>

Source: author compilation of DWP (2013b; 2014a); NAO (2012; 2014); McGuiness and Dara (2015)

### Figure 2. Work Programme Differential Pricing model

![Graph showing differential pricing model](attachment:graph.png)

Figure 1. Mandatory Work Activity Referral and Starts May 2011- August 2013

Breakdown of MWA by disability status, gender and age

- Referral as proportion of MWA total referrals
- Starts as proportion of total MWA starts
- Starts as proportion of MWA referral by characteristic

Source: DWP (2013a: 5, Table 2)
References


