Low pay, no pay churning: the hidden story of work and worklessness

Rather than the popular image of feckless people languishing in long-term unemployment, recent research for the Joseph Rowntree Foundation has found that the predominant experience of being out of work is one of moving in and out of low-paid, short-term jobs, and on and off benefits. This cycling, or ‘churning’, between work and no work, with people taking poor quality jobs that are often paid too little to move them away from poverty, not only runs directly counter to the dominant story about welfare dependency, but has also been largely ignored by successive governments. Tracy Shildrick outlines some of the research findings and argues that policy must now focus on the quality, as well as the number, of jobs available if work is to provide a lasting route out of poverty.

Introduction

Worklessness is high on the political agenda. Since the election of the current coalition government in 2010, welfare spending on the working-age population has been strongly targeted in its public spending cuts. Political leaders have justified these cuts, at least in part, by depicting unemployment as a ‘lifestyle choice’, while the Prime Minister has said that some people who are ‘claiming welfare are just not entitled to it’. The Centre for Social Justice, closely associated with Conservative Party thinking, has also declared that ‘weak work expectations have made life on benefits a choice regardless of an individual’s capacity to work’.

The tabloid press has joined this chorus of condemnation, running regular features on ‘dole scroungers’ and ‘benefit cheats’. In 2010, for example, the Sun launched a campaign to catch ‘welfare cheats’. It declared:

Today the Sun is declaring war on feckless benefit claimants to slash the £5 BILLION wasted in Britain’s shambolic hand-outs culture. Hundreds of thousands of scroungers in the UK are robbing hard-working Sun readers of their cash. They cannot be bothered to find a job or they claim to be sick when they are perfectly capable of work because they prefer to sit at home watching widescreen TVs – paid for by YOU.

Yet these ideas present a very misleading picture of the realities of worklessness.

The research

As part of the Joseph Rowntree Foundation’s recurrent poverty programme, we undertook research examining the relationship between what is often described as ‘poor work’ and the ‘low pay, no pay’ cycle. We did this from the perspective of employers, support agencies and, most importantly, people in the middle of working life who were in this cycle. Within this broad aim, we were particularly keen to see how wider experiences of disadvantage might intersect with unstable employment histories and poverty. To this end, we undertook in-depth, life history interviews with 60 people aged between 30 and 60 who were engaged in the low pay, no pay cycle.

Low pay, no pay churning: the missing link in popular accounts of worklessness

Long-term worklessness is a relatively unusual experience, much more so than the commentary above seems to imply. Stringent welfare rules have been in place for some time, which...
mean that, even if an individual were resolutely work-shy (and there is absolutely no evidence that many people are), avoiding work in the long term, or even permanently, would be no easy feat.

Colleagues and I have been researching issues around poverty and worklessness in some of the most deprived neighbourhoods in Britain for over 12 years. Over this period, we have undertaken in-depth life history interviews with over 230 individuals and have spoken to many more in our efforts to recruit research participants. Many of our interviewees have been interviewed several times over a period of years.

What we encountered, time and time again, has not been a preponderance of the long-term unemployed, but rather a far more common experience of labour market ‘churning’. Our interviewees certainly experienced unemployment, but importantly and with few exceptions, they had also almost always experienced periods of being in work. Across a diverse sample of men and women and of older and younger people, the predominant experience which we have found has been one of moving in and out of low-paid, short-term jobs, and on and off benefits.

Our earlier research studies were concerned with the transitions of young people and here we found churning employment careers of government programmes, periods of unemployment, plus periods in insecure ‘poor work’, in jobs such as care assistants, factory workers, labourers or shop assistants. Here we were keen to explore whether the low pay, no pay cycle we had discerned as characterising young people’s labour market careers simply reflected young people’s early labour market experiences (ie, that these jobs were stepping stones to something better) or whether such patterns could be found with older workers.

The study allowed us to follow up some of our earlier research participants who were by that point in their 30s, as well as to interview workers aged between 40 and 60. A major finding from the study is that, for some workers at least, the low pay, no pay cycle we had discerned as characterising young people’s labour market careers simply reflected young people’s early labour market experiences (ie, that these jobs were stepping stones to something better) or whether such patterns could be found with older workers.

Looking back on his working life, one of our interviewees, Richard (aged 30) said:

‘Just jumping from job to job, it’s no way to go. It’s a nightmare! Jack of all trades, master of none. I just want something with a bit of job security... rather than just where you’ve got to be on a wing and a prayer type thing... just a job that I can call my own, you know what I mean, rather than just looking for one all the time or jumping from job to job.’

This long-term commitment to working was fuelled not by stringent welfare monitoring, but most often by individual resilience and long-standing commitment to finding work. If at all possible, individuals would avoid signing on for benefits, although, for most, this was an absolute necessity and they were unable to avoid it:

‘I don’t like it at all [claiming benefits]. I feel, like, suffocated; that they are waiting for me to do something. I just hate it [original emphasis]. I’m an independent person. I don’t like relying on benefits. I just hate it. They turn into the FBI, questioning your every movement. It’s like, ‘I just don’t want to be here’. Just going to the jobcentre makes me depressed. I just detest it, I really do.’ (Chrissie, 31)

Often, interviewees stressed the personal benefits of working:

‘I don’t know what it’s like now but I was much better off on my own working than I was on benefits, and it was nice to earn my own money and not have to go and queue up in the post office. It was nice to do that. It was the money... and it was the pride. Like the pride of working, earning your own money and actually going to work every day and having something to do.’ (Mary, 31)

Jobs were mostly found through individual efforts and personal contacts, but individuals were also often keen to access wider support. Many, however, were unable to access this with any ease, as they frequently fell short of the longer periods of unemployment required to receive more concerted help. We have described many of our research sample as ‘the missing...
workless’ – missing from counts of the unemployed but, significantly, also missing out on many of the existing support services for unemployed people.

**Work: the best route out of poverty?**

That employment is the best route out of poverty had been the defining mantra of successive UK governments, and this proposition is central to recent government policy on welfare. It is generally accepted that employment will provide sufficient income to take individuals and their families out of poverty, and a range of tax credits and other incentives have been introduced to try and ensure that work pays and that people cannot be better off on benefits. Yet this shared ambition to make work pay seems to be curiously detached from any meaningful discussion about ‘poor work’ and the associated problem of low pay, no pay churning.

A focus on job quality continues to be eclipsed by the continued emphasis on moving people from welfare to (any) work. Furthermore, the thrust of the current government’s approach seems to be erring more towards reducing benefits as a step in the direction of making work pay, rather than thinking about issues of job quality. Yet ‘poor work’ has burgeoned in deregulated labour markets and it now provides the basis of working life for many in advanced industrialised economies. While highly skilled workers are critical if economies are to compete effectively in the global marketplace and in the information economy, this is certainly not the whole story. A ready supply of cleaners, catering staff and care workers are needed to support the higher skilled economy and to allow it to function efficiently. This rather uncomfortable fact seems to be all too often overlooked.

In our research on the low pay, no pay cycle, getting a full-time job on the minimum wage usually managed to shift our interviewees marginally above the official poverty line. Of course, this is still some way off what many believe to be an adequate income, but, beyond this, other difficulties and complexities were revealed in our interviews. For most, getting a job was simply another step in an arduous and continued cycle of poverty, hardship and debt. Not only were wages too low to take people far enough away from poverty to make a real material difference, jobs were often short term, so moves away from poverty were not only limited in their range but rarely lasted long enough to make a real difference to interviewees’ lives. The short-term nature of jobs meant that individuals were shuttling on and off benefits, often repeatedly. The process of making benefit claims was described as slow and difficult, and this often meant that the transition periods between welfare and work (and vice versa) were experienced as precarious. It was not unusual for interviewees to report periods when they were left with no income whatsoever. This inevitably resulted in the accumulation of additional debts, making their already uncertain financial situation invariably worse. Janice (aged 57) told us:

> ‘It was terrible, wasn’t it? Being used to having our own money and then having to claim benefits. It was a nightmare. We didn’t know how to go about anything. In the end it took us nine weeks to get a penny. They kept losing the forms and then it was something else wrong. I hated going there but I had to do it… Family helped us out again and by the time you get your money you owe that much of it out that you’re no better off!’

Perhaps what is most interesting is that these difficulties did not deter people from seeking and taking jobs. This remained the case even where interviewees were well aware that they had suffered financially by doing so.

This important story of commitment to taking poor quality jobs, which often pay too little to move people away from poverty and make a real difference to their lives, runs directly counter to the dominant popular story about welfare dependency. Winnie told us that working was important to her, even in the absence of financial rewards:

> ‘I struggle, really struggle, because by the time I pay my bills, gas, electric and water rates, TV, all that I’m left with, a couple of pounds, that’s it… I wanted to work. If I didn’t work I’d go crazy. I couldn’t stand not working you know? It gives me an incentive to get out of the house. It’s something to do. I mean, to be honest, somebody in my situation, I would probably be better off on benefits.’

**The low pay, no pay cycle: a blind spot in policy terms**

Greater recognition needs to be given to low pay, no pay churning if governments are serious about establishing conditions for working life which allow acceptable levels of social and economic security. It is often assumed that low-paid work or ‘poor work’ is the preserve of younger generations who are on pathways towards better jobs, but, as our research has shown, this is clearly not the case for some groups of workers. For some of the poorest and most disadvantaged workers, ‘poor work’ is where their working life ends as well as where it starts. If policy around worklessness is to be
effective, there needs to be at least some focus on the quality, as well as the number, of jobs available. It may be simpler, and it is certainly more appealing, to focus on the supposed characteristics of the workless or their lack of work motivation, but doing so obscures some rather important facts. In the prevailing economic climate at least, there are simply not enough jobs to go around. Recent statistics suggest that it is not unusual for there to be over a dozen jobseekers chasing every notified vacancy, and the situation is far worse in some parts of the country, including where we have done our work in Teesside and most recently in Glasgow. Indeed, at the end of 2011, research showed that the UK jobs forecast for 2012 was the ‘worst for 20 years’. Bleak economic conditions might render the popular mantra that ‘any job is better than no job’ all the more appealing, but it is important to note that, while low pay, no pay cycling may be made worse by recession and those engaged in the cycle may find it even harder to get onto the employment ladder as more people are clambering around the bottom rungs, the low pay, no pay cycle exists both in and out of recession.

We acknowledge that not all can be explained by the structure of employment conditions. It is unsurprising, given their experiences of poverty and hardship, that our interviewees faced a variety of other disadvantages which, at times, caused them to lose and leave jobs. Caring for children and other family members was a key factor: finding childcare that was affordable and acceptable was often a challenge, as were the ‘family unfriendly’ hours required by some jobs, which sometimes acted as a stimulus to quitting them. Laura (aged 31) had had several jobs in the past, but since becoming a mother she had not had a job. She felt trapped by the constant demands of motherhood and although she hoped (and planned) to go to university, she knew this was going to be a struggle for her to manage:

“Well I’m hoping to apply next year and... It’s been really, really difficult and plus my age and the fact I’ve got four children now. Yeah, I’m finding it quite difficult... Childcare’s alright at the minute, but it’s going to be a problem when I start university next year because... and I mean, what are you supposed to do? Leave them at home on their own? I don’t think so. Either that or lose your benefits, it’s stupid.’

Health problems (their own and those of the people they cared for) were another significant hindrance to work. It is important to recognise, however, that these problems were often not unconnected to the prevailing labour market conditions and the quality of the jobs which were available to our interviewees. For example, sometimes the health problems that prompted leaving a job were caused, in part, by that job – or at least by long-term, insecure, poor work. Mental health problems were not uncommon in our sample and often linked to harsh or unrewarding experiences of employment – and by being unemployed, recurrently. In other words, an experience of long-term economic marginality and social disadvantage has negative health consequences which further entrench marginality and disadvantage. Of course, better quality employment, with better conditions of employment, could have more easily accommodated these issues. In the end, our interviewees were let down by a benefits system which fails to respond adequately to their needs and to provide an adequate standard of living during times of unemployment, and by jobs which fail to provide lasting routes out of poverty.

Tracy Shildrick is a Professor at the School of Social Sciences and Law, Teesside University


A summary of the findings of the Joseph Rowntree Foundation recurrent poverty programme as a whole can be found at www.jrf.org.uk/sites/files/jrf/poverty-employment-lowpay-summary.pdf

1 G Osborne, ‘Welfare spending to be cut by £60bn’, BBC News, 9 September 2010
2 D Cameron, ‘Benefit fraud: Cameron defends use of credit rate firms’, BBC News, 10 August 2010
4 J Sloan, ‘Help us stop 1.5bn benefit scroungers’, the Sun, 10 August 2010
5 C Goulden, Cycles of Poverty, Unemployment and Low Pay, Joseph Rowntree Foundation, 2010
8 D Byrne, Social Exclusion, Open University Press, 1999, p74
10 L Peacock, ‘UK jobs outlook the worse for 20 years’, The Telegraph, 2010