

Work: the best route out of poverty?

Ever since New Labour first set the welfare reform bandwagon in motion in 2006, the mantra of work has been used by all sides of the political spectrum as ‘proof’ that the benefits system is in need of large-scale reform. The ‘logic’ is this: work is the best route out of poverty. The benefits system, by its very nature, provides a disincentive to work. Ergo, the benefits system traps people in poverty. Ergo, we must reform the benefits system. QED. But, asks Nick Jones, is work always the best route out of poverty?

Any reader familiar with the slew of papers that have appeared on the subject in the last four years would be forgiven for thinking that this was a question which had long since been empirically and unequivocally decided in the affirmative. ‘Work’, we are told in the 2007 Green Paper *Ready for Work*, ‘is the main route out of poverty for all groups within society. *Work is good for you*: [their emphasis] people who

The benefits system has... trapped generation after generation in a spiral of dependency and poverty. This has cost the country billions of pounds every year in cash payments and billions more in meeting the social costs of this failure.

By actively putting work at the centre of working-age support we want to create a new contract with the British people... We will help them to find work and make sure work pays when they do. They in return will be expected to seek work and take work when it is available. No longer will we leave people for years on long-term benefits without contact or support.

Iain Duncan Smith, Ministerial Foreword to Command Paper, *21st Century Welfare*, 2010

... this government inherited a welfare state weighted heavily towards rewarding and supporting people who were not actively seeking to improve their situation....

Too many people lacked both the aspirations and the support to get back into work – their talents and potential wasted by a system that offered too little too late... And in a globalised world, we simply cannot afford the high price of large numbers of people on benefits. Instead, we need people in work, making the best use of their talents and helping us compete. I want to build a more prosperous and fairer Britain, and we will only create lasting prosperity by ensuring that the talents of our country are fully employed.

Quite simply, we want everyone who can work to work.

Gordon Brown, Prime Ministerial Foreword to Green Paper, *No-one Written Off: reforming welfare to reward responsibility*, 2008

Since coming into office in 1997, we have embarked on a radical series of reforms to our welfare state...

... our approach has been based on the principle that the best welfare policy of all is work.

Our welfare state... must focus on tackling poverty and social exclusion... It should help support people in acquiring the new skills they need to for the jobs of the future. It must help UK companies succeed in the new global economy.

John Hutton, Ministerial Foreword to Green Paper, *A New Deal for Welfare: empowering people to work*, 2006

work are better off financially, better off in terms of their health and well-being, their self-esteem and the future prospects for themselves and their families.’

Or to quote possibly the guru of welfare reform, David Freud: ‘the evidence is now overwhelming that employment is generally beneficial for individuals and their families.’¹

But whence this candour, this presumed authority to make such sweeping statements on such a significant and sensitive issue? One would assume that, at the very least, before presuming to make such categorical statements, the authors would be sure to have carefully sifted a wide range of evidence. But that would be to forget that this is twentieth-first century politics, a world where policy decisions need to be made yesterday and justified, if at all, tomorrow. A world where we can go to war against our 'enemies' on the basis of a selective interpretation of the selective evidence. In such a world, it would not come as too great a surprise to find a similarly manipulative approach at play in that other war, the war on the benefit scrounger or, as s/he is politely known, the 'victim of worklessness'.

Sure enough, when we trace the references for the above and other statements of the value of work, we arrive not at a wide range of studies, but at one in particular: *Is Work Good for Your Health and Well-being?* by Gordon Waddell and Kim Burton.² This 'independent review of the scientific evidence,' published in 2006, was commissioned by the Department for Work and Pensions (DWP), and posed for the authors four questions:

1. *Does the current evidence suggest that work is beneficial for physical and mental health and well-being, in general and for common health problems?*
2. *What is the balance of benefits and risks to health from work and worklessness?*
3. *Are there any circumstances (specific people, health conditions or types of work) where work is likely to be detrimental to health and well-being?*
4. *Are there specific areas where there is a lack of evidence and need for further research?*

The authors' conclusion (the part the civil servants read) would appear to be comprehensive enough:

Overall, the beneficial effects of work outweigh the risks of work, and are greater than the harmful effects of long-term unemployment or prolonged sickness absence. Work is generally good for health and well-being.

But tracing back a few lines, we find that the summary answer to Question 4 is the longest of all and that there are as many as six 'important issues [which] need further clarification':

- *There is limited evidence on effect sizes and a need for further quantitative research:*

how much is work good for health? How much does unemployment harm health?

- *Most of the evidence is relatively short term (-1 year) and there is need for more long-term studies over a lifetime perspective.*
- *There is a need for further studies of the relative importance, effect sizes, optimum combination and measures of the physical and psychosocial characteristics of jobs that are 'good' for health.*
- *There is a need for further high quality scientific studies of the impact of work on the health of working-age adults, including the cause and effect relationship and the relative balance of adverse/beneficial effects of different elements of work.*
- *There is a need for longitudinal studies to establish and quantify the relative balance of adverse/beneficial effects of (early return to) work versus continued sickness absence on the physical and mental health of people with common health problems.*
- *There is a need for longitudinal studies of the relative balance of adverse/beneficial effects of (early) retirement versus continued working on the physical and mental health of older workers.*

And at the beginning, we find this:

So, is work good for your health and well-being? This review found much more evidence than originally anticipated, even if it was of widely varying source, type and quality. Basically, there is a limited amount of high quality scientific evidence that directly addresses the question.

Hence, presumably the need for more longitudinal studies, lasting several years. But that would mean holding up the welfare reform bandwagon while we wait to make sure if work is indeed the panacea for all ills. All is not lost, however, as handily:

There is a strong body of indirect evidence that can be built into a convincing answer: yes, work is generally good for your health and well-being, with certain important provisos.

Looking at the earlier quotes from David Freud and others, it would appear that these provisos were perhaps not so important as Waddell and Burton considered them to be, or at least, not worthy of mention. But for the sake of fairness, it is worth us taking a quick look at them:

'Firstly', we are told:

... work is generally good for your health and well-being provided you have a 'good job'.

'Secondly', we are told:

... the relationship between work(lessness) and health must take account of the social context... socially disadvantaged people are less likely to attain full health and well-being, while chronically sick or disabled people are less likely to fulfil socio-economic roles, leading to poverty. There is also a major geographical dimension around deprived areas, high local unemployment rates, limited job availability, and poverty. People in these areas face multiple personal, health related, and social disadvantages and barriers to work. It is all very well to say that work is good for your health, but that depends on being able to get a job.

So to recap: there is a lack of direct evidence on the subject, but the indirect evidence suggests that work is generally good for your health and wellbeing, provided you can get a job. Not just any job, but a good job. Incidentally, it is worth noting that, according to Waddell and Burton:

in terms of promoting health and well-being, the characteristics that distinguish 'good' jobs and 'good' workplaces might include: safety; fair pay; social gradients in health; job security; personal fulfilment and development; investing in human capital; accommodating, supportive and non-discriminatory; control/autonomy; job satisfaction; good communications.

This is a distinctly more nuanced conclusion than the one adopted by the DWP under successive governments. So much so, in fact, that the reader might start to suspect that the selective analysis bug has also been making its rounds in the DWP. But to insinuate this is to purport that governments could have some other motive in enshrining work as the *sin que non* of welfare policy and, consequently, as the main, indeed only, weapon in the battle against poverty. At which point, it is worth returning to the quotes with which this article began, where we see there is another felony making a frequent appearance on the crime sheet of welfare dependency: not only does it apparently trap thousands, even millions, of people in a cycle of worklessness and poverty, it is doing so at a 'cost [to] the country of billions of pounds a year'. And in a globalised world, 'we cannot afford the high price of large numbers of people on benefits'. After all, it is society's role to 'help UK companies succeed in the new global economy'.

So what are we to make of this? Is work the best route out of poverty for benefit claimants, or is it simply the best way of saving billions of pounds on the cost of welfare? The answer to this question would take up a lot more room than we have here, but this article has attempted to highlight that this is at least a question that needs posing. In conclusion, some thoughts are offered on where the true value of Waddell and Burton's research may lie for those genuinely interested in understanding the causes of poverty. Ironically enough, it is David Freud who gives us our starting point. In *Reducing Dependency* he makes the following statement:

Work is advantageous for people for a number of reasons. Burton and Waddell find that employment is the most reliable means of ensuring that an individual has enough money.

Turning to the researchers themselves, we find the following statement in the conclusion to *Is Work Good for your Health and Well-being?*

Employment is generally the most important means of obtaining adequate economic resources, which are essential for material well-being and full participation in today's society.

Work then, is an important means of combating poverty principally because it is a source of income, and an adequate income plays a crucial role in determining an individual's ability and opportunity to maintain her/himself and to participate fully in society. But as Waddell and Burton point out, work is not always available to the individual, whether as a result of wider economic factors, such as those we are experiencing now, or as a result of factors specific to the individual, such as deficiencies in health or in educational opportunity, or due to geographical location. Moreover, even where work is available, it is not always of the 'good' variety – that is, of a standard adequate to maintain an individual and lift her/him out of poverty. The question remains then, how can we guarantee people in these situations the income which the evidence tells us is essential to their wellbeing and life chances? The author's uneducated guess would be by means of a properly administered system of welfare benefits, paid at rates at least equal to internationally recognised measures of the poverty line. ■

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- 1 D Freud, *Reducing Dependency, Increasing Opportunity: options for the future of welfare to work*, Department for Work and Pensions, 2007
- 2 G Waddell and K Burton, *Is Work Good for your Health and Well-being?* The Stationery Office, 2006