

Werkloos toezien? Arbeidsmarktbeleid en de crisis

‘Lessen uit het Verenigd Koninkrijk’ (??)

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The United Kingdom as 'the odd-one out'

- traditionally weak on UI, ALMP, EP
- voluntarism (e.g. training)
- central policy responsibility
- non-government roles: scrutiny (e.g. SSAC); implementing employment programmes (local partnerships and voluntary sector); evaluation (commissioned)

Changes under New Labour (1997- 2010)

- social partners (consultation and local collaboration) – not (neo)corporatism
- closer connection between social security and ALMP (Jobcentre Plus)
- greater coherence in ALMP
- new focus: working-age Im inactivity rather than (only) unemployment
- additional instruments to ,make work pay‘ (minimum wage, tax credits, etc)

ALMP

- The New Deal programmes (1998-)
- inexpensive; focus on youth and long-term unemployment;
- emphasis on counselling, job search, intensive case management (& in-work training elements)
- implementation via local partnerships (differences across regions and devolved territories)
- more prescriptive, coherent, comprehensive and embedded within wider 'welfare-to-work' strategy
- claim: evidence-based policy (evaluation)

LMP generally (1990-2010)

- two-tier benefit (JSA) – but increasingly one tier
- eroding role of insurance (by benefit level and caseload)
- declining and low generosity (add. means-tested benefits common – benefit ‘package’)
- increasingly strong and broad activation (Jobcentre Plus) due to growth of other working-age benefits
- further homogenisation (flexible ND; ESA; partners; lone parents)
- prospectively – ESA and JSA to merge

OECD gross replacement rates

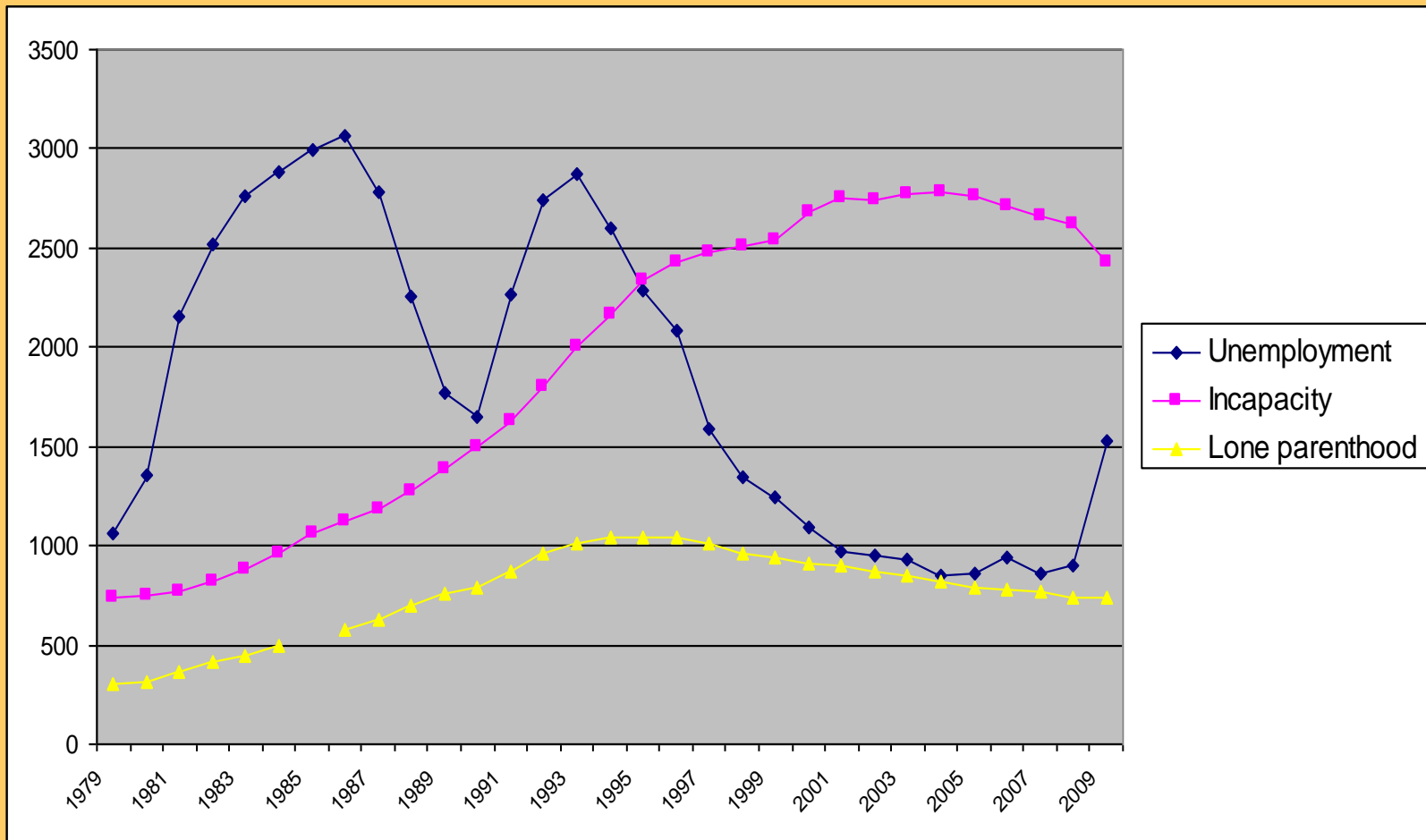
	1979	1985	1989	1993	1997	1999	2003
UK	24	21	18	19	19	17	16

Beneficiary rates

	1976	1983	1988	1996	2005	2009
UB or JSA (contributory)	54	56	28	15	17	21
IS or JSA (means- tested)	38	34	56	65	75	77

working age benefit claimants	1999	2002	2007
total	5.3m	5.48m	5.24m
JSA	1200	906	837
incapacity	2655	2765	2644
Lone parents	945	870	765

Working age claimant data (thousands), major groups only



Three broad changes in British labour market policy since the mid 1990s

1. De-facto merger of assistance and insurance support (towards assistance) – ‘benefit homogenisation’
 2. From unemployment to worklessness (redefinition of unemployment as a risk category) - towards a single working age benefit
 3. Activation: close integration between ‘passive’ and ‘active’ Imp (conditionality, ‘work for the dole’)
 - >> **triple integration**
- other: ‘work first’ dominance; marketisation of Imp (performance based pay)

The crisis and the labour market

- steep increase in unemployment (from 5.5% to 8%)
- decline in full-time employment (but not in part-time employment)
- rise in long-term unemployment (highest since 1997)
- steep rise in youth unemployment
- but unemployment crisis not as deep as in early 1980s and early 1990s (at same crisis month)

Broader policies in response to crisis?

- bank subsidies and ‘quantitative easing’
- (temporarily) lower indirect tax (VAT)
- home owners benefiting from low interest rates
- temporary abolition of ‘stamp duty’
- car scrapping scheme
- company based deals (working time)

British labour market policy and the crisis

(see also: D. Clegg, 2010, *J of Poverty and Social Justice*, 18(1))

- ALMP: even more marketisation
- 16/17 year olds (NEET): guaranteed learning offer
- under 25s (>12 months u) – 6 months guaranteed training offer (or placement, skills training)
- slight improvement in (max) redundancy pay
- better incentives to move off benefit ('back-to-work credit; housing benefit reform)
- incentives for employers taking on 16/17 year olds

- >> overall: little (no hike in spending)

Complementarities (UI, ALMP, EP) and/or functional equivalents?

- UK: Flexibility without security
- No 'golden triangle' - but elements within triangle stronger/more coherent than in the past
- Non-statutory provision: voluntary (e.g. social plans) and patchy (e.g. individual mortgage income protection plans)
- Declining trade union membership and collective bargaining
- No (return to) tri-partism but enhanced consultation and local implementation role for social partners

Explaining policy paths

- Interests; ideas; institutions:
 - New Labour (programmatic shift)
 - policy pledges (poverty); investments (e.g child care) plus ‘evidence based policy’ (policies work)
 - Increasing effective (non-inflationary) labour supply
 - Cross-party consensus on deregulation and welfare dependency
 - political credit claiming
 - advantageous labour market context (until 2008)
 - no institutional impediments
 - political economy: UB and LMP protection never part of industrial relations as elsewhere