



# SANCTIONS AND SWEETENERS

RIGHTS AND RESPONSIBILITIES  
IN THE BENEFITS SYSTEM

KATE STANLEY AND LIANE ASTA LOHDE  
WITH STUART WHITE

## The ippr

The **Institute for Public Policy Research** (ippr) is the UK's leading progressive think tank and was established in 1988. Its role is to bridge the political divide between the social democratic and liberal traditions, the intellectual divide between academia and the policy making establishment and the cultural divide between government and civil society. It is first and foremost a research institute, aiming to provide innovative and credible policy solutions. Its work, the questions its research poses and the methods it uses are driven by the belief that the journey to a good society is one that places social justice, democratic participation and economic and environmental sustainability at its core.

For further information you can contact ippr's external affairs department on [info@ippr.org](mailto:info@ippr.org), you can view our website at [www.ippr.org](http://www.ippr.org) and you can buy our books from Central Books on 0845 458 9910 or email [ippr@centralbooks.com](mailto:ippr@centralbooks.com).

## Our trustees

Chris Powell (Chairman)  
Chai Patel (Secretary)  
Jeremy Hardie (Treasurer)

Professor Kumar Bhattacharyya  
Lord Brooke  
Lord Eatwell  
Lord Gavron  
Chris Gibson Smith  
Professor Anthony Giddens  
Lord Hollick  
Jane Humphries  
Roger Jowell  
Neil Kinnock  
Richard Lambert

Professor David Marquand  
Frances O'Grady  
Sir Michael Perry  
David Pitt-Watson  
Dave Prentis  
Lord Puttnam  
Sir Martin Rees  
Jan Royall  
Ed Sweeney  
Baroness Williams  
Baroness Young of Old Scone

# Executive summary

There have always been conditions imposed on the receipt of benefits but recent policy decisions have extended use of conditionality and the trend looks set to continue. The primary purpose of conditions is to influence the behaviour of claimants to achieve a broad range of policy aims including tackling poverty and promoting social inclusion. Such policies also seek to boost popular support for welfare and persuade voters that it is in their interest to fund the welfare state.

*Sanctions and Sweeteners* considers two primary questions:

- Are extended conditions justifiable for social democrats?
- Are extended conditions likely to change people's behaviour and improve outcomes?

In particular, it looks at the potential impact of three sets of policy proposals:

- the extension of work-related conditions on Income Support for lone parents;
- the extension of work-related conditions on Incapacity Benefit for disabled people<sup>1</sup>; and
- the extension of behavioural conditions on Housing Benefit to tackle anti-social behaviour.

## Lone parents

*Sanctions and Sweeteners* concludes that the extension of work-related requirements on lone parents is compatible with social democracy, and is reasonably likely to reduce the numbers of workless households and thereby reduce child poverty.

However, such a policy would require numerous other conditions to be met to ensure that it was effective and just. These conditions include, among others: further improvement in the childcare infrastructure; substantial in-work financial support and continuing stability; and relative security in the labour market in which suitable jobs are available. Meeting these conditions would be a substantial task and the policy would need to be resource intensive to deliver in a just and effective manner. Current welfare to work policies for lone parents have already had some success. This means that – given the need to prioritise – it would not be advisable to prioritise the extension of conditions on Income Support for lone parents.

<sup>1</sup> In this report, 'disabled people' is used as a shorthand term used here to refer to people with a long-term disability or health problem. This shorthand is also used to refer to people claiming Incapacity Benefit. However, it is recognised that there are people claiming Incapacity Benefit who do not consider themselves to be disabled.

## Disabled people

*Sanctions and Sweeteners* concludes that work-related conditions on Incapacity Benefit for disabled people should not currently be extended. There are three central reasons for this:

- Inadequate policy foundations – the benefits structure for disabled people is unable to respond adequately to the need to support more disabled people into work and provide support to those for whom work is not an option.
- Difficulties in identifying capacity for work – it is extremely difficult to make the distinction between those for whom work is not an option at a given point in time, and those for whom some form of work is possible. This makes extended work-related conditions difficult and high risk to implement.
- Lack of evidence of what works for whom – there is a need to make welfare to work programmes more effective before making them mandatory, this includes tackling demand-side barriers, such as employer discrimination.

Rather, the report argues, there is a need to reform the incapacity benefits regime in order to resolve the central paradox at the heart of any attempt to link Incapacity Benefit and work conditions: in order to be eligible to claim Incapacity Benefit a person must demonstrate their incapacity to work, so requiring that they seek work in order to claim Incapacity Benefit seems logically absurd. Welfare to work programmes such as Pathways to Work should also be extended.

## Anti-social tenants

*Sanctions and Sweeteners* concludes that recent proposals to extend behavioural conditions on the receipt of Housing Benefit provide an important illustration of the limitations of conditionality as a policy tool. Behaviour-based conditions should not be attached to Housing Benefit because such conditionality would not address the root causes of anti-social behaviour and therefore would not be a viable long-term solution; furthermore they would be extremely difficult to implement in a just way and they would lead to an inequitable enforcement of the duty to behave civilly because they could only be applied to people in receipt of Housing Benefit.

There are viable alternatives to such conditionality that would achieve the same objective without the attendant risks. The relevant authorities have a range of tools available to tackle anti-social behaviour and the Government should support more holistic interventions such as those being piloted in Dundee and Rotherham.

## The analytic framework

The first section of *Sanctions and Sweeteners* sets up an analytic framework to assess whether a policy proposal is justifiable in social democratic terms. The framework poses three tests:

- 1 Does the conditionality proposal have a clear rationale in terms of social democratic values such as economic reciprocity, equality of opportunity and civility?
- 2 Is the claimed behavioural impact a reasonable supposition in view of the evidence to hand?
- 3 Is the conditionality policy, in conjunction with other relevant policies, fair in an overall sense?

If a policy passes all three tests, it can be said to be good policy.

## Applying the framework

In the second section of this report, the framework is applied to assess extended conditionality in relation to the policies for lone parents, disabled people and anti-social tenants. Evidence is drawn from the US and Europe as well as from the impact of extended conditionality on other groups in the UK – and as one purpose of extended conditionality is to boost public support for welfare, public opinion is also considered.

### Lone parents

- 1 *Rationale*: There are social democratic justifications for extending the work-related conditions on lone parents, including promoting equality of opportunity and – some would argue – on paternalistic grounds. For example, paid work can help lone parents move out of poverty and so enhance equality of opportunity for their children. It can also enhance equality of opportunity for women through economic empowerment. Test one is passed.
- 2 *Evidence*: In recent years, whilst conditions in the form of work-focused interviews (WFIs) have been in place, there have been improvements in the employment, income and poverty rates of lone parents. However, it is far from clear that all this improvement can be attributed to existing work requirements. Evidence shows it is the combination of WFIs with other factors and policies, including a stable economy, the voluntary New Deal for Lone Parents and tax credits, which have been important in bringing about these improvements. Test two is passed, but with significant qualifications.
- 3 *Unfair side effects*: Inequity in the enforcement of social duties amongst lone parents may result from inconsistent application of conditionality

rules but improvements in implementation ought to be able to make this problem tolerable. Extended work conditions also imply inequity between lone parents and parents in two-parent families where one parent works in the paid labour market and one in the unpaid domestic sphere; and between lone parents and people who have inherited wealth and are also living off unearned income but without the requirement for economic reciprocity. Again, these may be acceptable inequities if conditionality results in better outcomes for lone parents and their children – and the evidence suggests it might, provided high quality childcare was accessible and affordable. The UK is unusual amongst European Union countries in not requiring lone parents to fulfil work conditions once their children reach a certain age, and stringent work conditions are applied in the US. There seems to be cross-European evidence that where a requirement is imposed on lone parents to seek work after their children reach a certain age, more generous benefits are provided for lone parents with younger children, and in-work benefits are provided for lone parents for older children. This trade-off as well as significant infrastructural and support investment would be further necessary conditions for extended conditionality and, with these additional requirements, test three is passed.

### Disabled people

- 1 *Rationale:* The extension of work-related conditions on the receipt of Incapacity Benefit (IB) can be justified through the social democratic rationale of promoting equality of opportunity, by seeking to enhance disabled people's chances of moving into work. Work is one route out of poverty and can enable social and economic inclusion and therefore should be promoted amongst disabled people, who have a very high rate of poverty and social exclusion. However, within the current benefits system, this rationale must be combined with paternalistic considerations if test one is to be passed. This is because there is a fundamental problem that lies at the heart of IB which acts as a powerful disincentive for people for whom work would lead to economic and social inclusion. The structure and rules of IB have been combined with welfare to work efforts to create a situation where, on the one hand people must demonstrate their incapacity for work in order to be eligible for IB, and on the other hand they are required to attend an interview to discuss how they might work. This contradiction leads to uncertainty, risk aversion and misunderstandings amongst both disabled people and their potential employers about their ability and eligibility to seek and take work. It is not possible to say that test one is clearly passed.
- 2 *Evidence:* The evidence is weak on what works for whom as attempts to promote the labour market participation of disabled people in the UK

have so far met with only moderate success in terms of increasing the skills and employability of disabled people (partly as a result of long-term under-investment in spending on welfare to work for disabled people). No country, in fact, appears to have a scheme capable of delivering significant positive impacts on the economic and social integration of disabled people. Implementation of work conditions would require a massive increase in the capacity of Jobcentre Plus and a substantial increase in public spending on labour market programmes for disabled people. Just extending WFIs to all existing claimants could take as long as ten years at current capacity levels. Research also shows that work-related options for disabled people need to be closely matched to individual needs to be effective, so a much wider range of programme and support services would need to be made available. On the basis of existing evidence, test two can be said to have been failed as even if extended conditions brought about behavioural change they may not lead to improved outcomes.

- 3 *Unfair side effects*: Most of the issues described above are practical challenges but if they were not dealt with effectively, extended conditionality would be highly likely to result in a considerable risk of harm to disabled people. For example, a failure to determine accurately who should and should not be required to undertake work-related activities could lead to people being sanctioned for failure to comply with conditions with which they are not capable of complying. Or, a failure to tackle discrimination by employers or to tackle wider barriers to work such as inaccessible transport would mean disabled people, including those with mental health problems, would be subject to potentially highly demoralising and unrealistic expectations. These risks mean that test three is failed.

### Anti-social tenants

- 1 *Rationale*: In 2003 the Government proposed giving local authorities an enabling power to withhold payments of Housing Benefit from individual tenants where they believed this was the most effective way of tackling anti-social behaviour. This proposal can be said to be based on the social democratic value of civility and test one is passed.
- 2 *Evidence*: The primary argument for suggesting that the proposal would fail to reduce anti-social behaviour is that the policy would not deal with the root causes. A body of research has identified that perpetrators of anti-social behaviour often face a complex range of problems, including poverty, unemployment and drug dependency, and this proposal would do nothing to address these issues. Whilst the condition might be effective in changing behaviour, it would not be able to tackle the

underlying causes of anti-social behaviour and so is unlikely to be successful in the longer term. Test two is failed.

- 3 *Unfair side effects*: The policy could only be applied to people who are in receipt of Housing Benefit, probably the most class-defined benefit, and includes no means of tackling anti-social behaviour amongst people not claiming Housing Benefit so would be inequitable in its effects. There are also risks of harm to the most disadvantaged, for example it might lead to homelessness. The policy may also punish those people who cannot control their behaviour, such as those with mental health issues, or those who are not able to control visitors or family members. Or it may lead to harm to innocent third parties such as siblings or mothers. On those grounds, test three is failed.

### Evidence from other groups

The impact of conditions on other benefit claimant groups can provide further evidence of the possible impacts of any extension of the conditions on the groups focused on here. The evidence of changed behaviour shows a mixed picture and some unfair side effects have been identified. While there are reasonable grounds to suppose that extended conditions can change behaviour, the case is not overwhelming and if these changes are to deliver improved outcomes then careful attention must be paid to implementation and communication.

### Public opinion

Strengthening public support for the benefits system is a key motivation for the Government in extending conditions on benefits. But on the basis of the available evidence – which is limited – it is not possible to identify a clear demand from the public that extended conditions should be imposed on lone parents, disabled people or anti-social tenants, although there is clear support for a broad framework of rights and responsibilities and conditions being placed on those who are in a position to fulfil them.

### Conditionality as a policy tool

Applying a social democratic framework to three specific policy proposals demonstrates the limitations of benefit conditionality and shows that it is not an appropriate tool for achieving certain outcomes. Extended conditionality can often be justified using social democratic rationale and there are grounds for thinking extended benefit conditions can bring about behavioural change. However, there is a more positive conceptualisation of rights and responsibilities than ‘pure’ extended conditionality implies, one in which people are supported to fulfil their responsibilities and society acknowledges its own responsibilities to disadvantaged people.



# Buy the full report of *Sanctions and Sweeteners*

Complete evidence and analysis of whether  
the government can use the benefit system  
to change the behaviour of claimants

£9.95, ISBN 1 86030 254 8

Call Central Books on 0845 458 9910 or visit  
[www.centralbooks.com](http://www.centralbooks.com)

## Other books by Kate Stanley, also available from Central Books:

### **Fit for Purpose**

*The Reform Of Incapacity Benefit*

Kate Stanley with Dominic Maxwell

£5.95, ISBN 1 86030 261 0

Incapacity Benefit is failing its claimants on two fronts. It has become a barrier to work as many claimants fear that taking steps towards employment will place their benefits at risk. It also fails to provide a decent income for people who are unable to work because of long-term health problems or disability. Kate Stanley and Dominic Maxwell call for a new benefits framework to create solid foundations for the long term. They set out practical policies to support people with health problems or disability get back to work and deliver a decent standard of living for those who can't work.

### **The Missing Million**

*Supporting disabled people into work*

Kate Stanley and Sue Regan

£9.95, ISBN 1 86030

There are well over one million disabled people missing from the labour market – people who want to work but are not working. Three million people claim incapacity benefits: more than the combined total of lone parents and unemployed people claiming unemployment benefits. This issue is likely to become increasingly important as one in five adults of working age are now disabled and we have an ageing population in which older people are more likely to become disabled. The authors show current policies to be inadequate to meet the scale and importance of the challenge of supporting many more disabled people into work. They suggest seven key themes that the Government and others must now pursue.