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Nascent geographies of austerity: understanding the implications of a (re)new(ed) Welfare-to-Work discourse

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Nascent Geographies of Austerity – Understanding the Implications of a (Re)new(ed) Welfare-to-Work Discourse

David Rigby

A doctoral thesis submitted in partial fulfilment of the requirements for the award of Doctor of Philosophy of Loughborough University

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Abstract

Following the 2008/9 global financial crisis and ensuing economic uncertainty, the roll out of austerity politics has seen significant welfare retrenchment and a recalibration of the state-citizen relationship which can arguably be characterised by a process of “punitive Neoliberalism.” Nevertheless, the impacts of austerity politics are proving to be geographically uneven: spatially, there is significant evidence that the northern and western parts of Britain, particularly towns and cities therein, are especially prone to the punitive impacts of neoliberal austerity politics, while socially, some parts of society (e.g. the young, the disabled) find themselves exposed to the worst effects of austerity. Conducted under the period of a Conservative-Liberal Democrat UK Coalition Government (2010-2015) this thesis starts by considering the degree to which punitive austerity policies are economically necessary or driven by political ideology. Alongside this it determines whether austerity politics is a (re)new(ed) approach to welfare provision and the state-citizen relationship. The empirical parts of the thesis examine the tactics and strategies utilised by those *conducting* (the state), *implementing* (welfare providers and employers), and *recipients* (people and employees) of welfare-to-work policies, before considering what adaptations, innovations, co-operation, resistance and coping strategies are being employed by these stakeholders in response to austerity politics. In the final part, I argue that whilst many of the neoliberalised policies devised by the Coalition Government have been a renewal and reinvention of those already in place, this is part of a broader trend which is marked by the emergence of a more “punitive Neoliberalism” associated with a ‘work-first welfare’ regime.

Key words: Austerity; welfare reform; work-first welfare; punitive Neoliberalism; state-citizen relationship; in-work conditionality; England.

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Chapter 1: Introduction – Nascent Geographies of Welfare in the Age of Austerity

1.1 Austerity and welfare-to-work – something new or more of the same?

The financial crisis of 2008-9 is portrayed as a pivotal moment for many states and their citizens, marking the onset of an economic collapse not seen since the 1970's, and possibly even the 1920's (Boyer, 2012). Yet unlike previous economic crises, such as the Great Depression of the 1920's and 1930's which preceded the formation of Welfare States, or the Organisation of the Petroleum Exporting Countries (OPEC) crisis of the 1970's which triggered neoliberal workfarism, it is arguable whether the events of 2008-9 are leading to a similar 'new' approach to welfare. It appears certain that welfare geographies, by which I mean the changing state-citizen relationship, as well as geographies of welfare, by which I mean the spatial complexion of welfare reliance and provision, are changing as a result of the 2008-9 financial and economic crisis. However, it remains uncertain whether this is sparking (re)new(ed) welfare geographies/geographies of welfare. It is this uncertainty that this thesis seeks to explore.

One thing which is for sure is that the global economic downturn that followed the 2008-9 global financial crisis has further challenged the state's legitimacy as a guarantor for its citizens and further exposed many aspects of welfare policies to the scrutiny of the market-driven capitalist ideology associated with Neoliberalism (Peck, 2010). Many governments have either decided, been forced, or through a combination of decision and enforcement responded to the crises by implementing policies of fiscal rationalisation in order to curb rising public sector debts, preserve economic wellbeing, and, they hope, lead to a return to growth. However, there are those on the political left who vehemently oppose such policy discourses, insisting that they merely serve to intensify the fiscal crisis. They advocate alternative methods, such as lowering debt levels at a more sustainable rate coupled to proactive social policies, or even more simplistic 'tax and spend' regimes which dismiss the role of public debt in the process of economic recovery altogether (Callinicos, 2012; Clarke and Newman, 2012). Indeed, Krugman (2010:1) notes that:

> "somehow it has become conventional wisdom that now is the time to slash spending, despite the fact that the world's major economies remain deeply depressed. This conventional wisdom is not based on either evidence or careful analysis. Instead, it rests on…figments of the policy elite's imagination - specifically, on belief in what I've come to think of as the invisible bond vigilante and the confidence fairy."

For a number of states, servicing debt has become increasingly difficult and near impossible in some cases, following the financial crisis of 2008-9. Taking the example of the United Kingdom (UK), by February 2015 public sector net spending was still greater than income to the tune of £6.9bn. Indeed, whilst the deficit in 2013-14 was one third less than at its peak in 2009/10, public sector debt has continued to increase, and by February 2015 amounted to £1468.5bn, or 79.6% of UK Gross Domestic Product (Office for National Statistics (ONS), 2015).

What is clear is that it was left to the state in countries that were at the centre of the crisis to bail out the financial institutions (though some point out this was still a choice rather than the absolute necessity it was portrayed as being). In the UK, this amounted to £133bn cash outlay, with a total guaranteed outlay of £1,162bn between 2007 and 2010 (National Audit Office, 2015), whilst Greece has, since 2010, been subject to a €259bn bailout from the European Union (EU) and International Monetary Fund (IMF) (European Union, 2015). This compares with the USA, where the Federal Government allowed Lehman Brothers to go bust by refusing to bail it out of its $613bn debt (Marketwatch, 2008) – a decision coming after the US Treasury took over Fannie Mae and Freddie Mac in September 2008 as the subprime mortgage crisis threatened their viability.

Such events have inevitably put immense strain on basic public expenditure requirements and have led to what is being termed "austerity politics" (Peck, 2012:633). Moreover, it is putting the state-citizen relationship under the microscope once again, as people examine what the state *is* providing (an empirical question), and debate what the state *should* be providing (a normative question), for its citizens (Mooney, 2011). As a consequence, it can be said that a 'new politics of austerity' has come to the forefront of government discourse as the preferred response to debt and spiralling government spending, with the primary intention of many being to cut

their ballooning fiscal deficits to more manageable and sustainable levels. MacLeavy (2011:355) defines this 'new' form of austerity as an attempt to:

> "garner public support for the reduction or withdrawal of welfare entitlements through appeals to frugality, self-sufficiency and fiscal prudence. In particular…the recasting of the former Labour Government's work incentives and welfare disincentives amidst mounting pressures on public expenditure."

Coupled to this is a more distinctive workfare dialogue (MacLeavy, 2011; 2014), but there is an ongoing debate as to whether this 'new' dialogue is something qualitatively new or a new phase in a much longer process of neoliberal welfare reform?

The impacts of this more stringent workfare regime discourse appear to be highly contingent and geographically uneven over time and space, often to the detriment of those parts of society who are already suffering most from what is transpiring to be a prolonged economic downturn (MacLeod and Jones, 2011; Martin, 2012). This in turn leads to an interesting nexus of (re)new(ed) geographies of welfare and welfare geographies in the UK and beyond.

A number of questions therefore arise over the nature of austerity politics and the accompanying welfare-to-work rhetoric which has emerged over the past seven years. In particular, it is important to ask whether the policy responses to this latest economic crisis are entirely new, a continuation of previous ideas and approaches, or whether they signify a renewal (by this I mean a hardening) of extant approaches? In the same way, are the responses of citizens and communities affected different from before, and are there any contradictions presenting themselves as a result of austerity measures being enforced?

1.2 The United Kingdom as a lens on 'austerity politics' and welfare reform

This research project sets out to critically analyse the fundamental implications of austerity from the perspective of welfare-to-work discourses as they have been designed and implemented in the UK post-crisis. The first question which must be answered is why the UK? It could be contended that the socio-economic plight of the

UK state is far from unique, not only on the global scale but even within Europe. Similarly, it has not been one of the countries least hit or hardest hit since the financial crisis (Hodson and Mabbett, 2009; Taylor-Gooby, 2012a). Instead, this research project has chosen to focus on the UK because of the stark contrast between London and the South East region – Europe's biggest financial centre and one of the world's most important finance hubs and a centrepiece for wider global economic and social flows and processes (Sassen, 1991; Allen et al., 1998; Massey, 2007), and the largely public sector-dependent post-industrial regions of northern and western Britain (Gardiner et al., 2013; Martin, 2013; Hildreth and Bailey, 2013). For many, the UK is the birthplace of social welfare and the paternalistic relationship between the state and its citizens (Beveridge Report, 1942; Powell, 2000). For these reasons the UK can offer particularly revealing insights into (re)new(ed) welfare geographies and how nascent geographies of welfare are being articulated under the auspices of an austerity-driven welfare-to-work prerogative.

However, in order to analyse these issues in as much detail as possible, the UK as a whole encompasses a spectrum which is too large for the purposes of this project. Indeed, Lowndes and Pratchett (2012:24) have noted how "it is at the local level that most of the social and welfare issues that arise from cuts and unemployment will be experienced." Equally, it has been well documented that areas heavily reliant on the public sector for jobs and services are suffering disproportionately as a consequence of austerity politics (Kitson et al., 2011). To this end, empirical research was focused on the towns and cities of North West England. The North West was chosen because it displays some of the most pertinent characteristics and conditions for austerity and welfare-to-work to be implemented and experienced. In 2011 when the research began, the North West was the region with the greatest proportion of local authorities classified as deprived (Department for Communities and Local Government (DCLG), 2011), with 15 of the 50 English boroughs with the most constituents at risk of poverty located in the region – most being inner city areas (Guardian, 2012). The Index of Multiple Deprivation 2010 also revealed that 7 of the 28 most deprived cities in England were in the North West region (Centre for Cities, 2011a). More broadly, cities have been identified by academics as key sites of welfare provision, and so are likely to be the locations where nascent welfare geographies will be most prominent. In this context, Brenner and Theodore

(2002:367) have indicated that “the retrenchment of National Welfare State regimes … [has] imposed powerful new fiscal constraints upon cities.”

1.3 Research aims

The aim of this thesis is to examine whether or not there has been a *qualitative shift* in the welfare-to-work discourse following the crisis in capitalism triggered by the 2008-9 financial crisis. The overriding aim is to discover if what we are witnessing is simply a reinvention or re-articulation of the neoliberal paradigm which has preceded it. Moreover, this means uncovering whether in fact what is now being contingently experienced across a number of spatial scales is something altogether innovative and new, or whether what we are seeing is the emergence of new aspects but contained within broadly the same direction of travel (Brenner et al., 2010). Given these initial conceptual and theoretical groundings, three core research questions frame the project:

- **To what extent is austerity influencing the nature of welfare provision?**
- **What political strategies and their associated material effects are emerging in response to austerity?**
- **How are the least insulated cities acting as locations of co-operation and resistance to such strategies and policy processes?**

1.4 Structure of thesis

Following this introductory chapter, Chapter 2 adopts a chronological approach to UK state welfare provision from its inception in the mid-1940’s up to the mandate of the 2010-2015 Conservative-Liberal Democrat Coalition Government. This chapter pinpoints the primary features denoting each period of welfare reform. In so doing it identifies the major economic and social policies and processes characterising each era. This chapter enables me to unpack issues relating to the key question surrounding whether or not there has been a qualitative shift in the policies of welfare provision following the recent financial crisis and subsequent economic downturn.

Chapter 3 then examines new theoretical frameworks for conceptualising welfare geographies post-financial crisis. A scalar framework is used to reveal the uneven nature of welfare reforms at global, national, regional and local levels.

Chapter 4 outlines the methodology used. This includes a detailed analysis of the methods utilised and applied in the design and execution of the research project in order to answer these questions. The chapter also addresses issues concerning research ethics, positionality and reflexivity.

The second part of the thesis addresses the research questions outlined earlier in three empirical chapters, each one focusing specifically on answering one of the research questions laid out.

Chapter 5 looks at the current raft of austerity policies and their influence on the discourse of welfare-to-work. It places particular emphasis on assessing whether the policies are an economic necessity as the Coalition Government suggests, or a politically conscious decision based on ideology. The chapter is structured so that it looks at whether these processes are new or renewed in comparison to those seen previously, elucidates whether these policies are economically necessary or part of a politically driven narrative, before finally identifying some contradictions which have emerged.

Chapter 6 examines the tactics and strategies being utilised by different stakeholders in the welfare-to-work process. The chapter is broken down by the perspectives of each key stakeholder. It begins by observing the tactics and strategies employed by those *conducting* welfare-to-work policies, principally the state. It then goes on to look at those charged with *implementing* welfare-to-work policy, most notably welfare providers and employers, with a particular emphasis on assessing the privatisation of welfare services. Finally, the chapter scrutinises those tactics and strategies utilised by the *recipients* of welfare-to-work policies, namely people and employees, and in particular how such policies are applied to their individual circumstances and hence how they respond and deal with the impacts which result and which they experience in their daily lives.

The final empirical chapter is Chapter 7, which addresses the specific array of responses to austerity and welfare-to-work policies, both from those implementing

the reforms and those who experience them. The chapter begins by addressing how stakeholders - local authorities, private companies and voluntary organisations - are adapting to changes brought about by austerity and welfare reform. It then goes on to look at how they are also being innovative to overcome the consequences of austerity politics. The chapter analyses how key stakeholders are co-operating to mitigate the impacts of welfare reform, particularly from the perspective of overcoming resource constraints in order to respond to and meet welfare-to-work objectives effectively. Following on from this, the penultimate section draws attention to forms of resistance aimed at rebuking austerity and welfare reform agendas and lessening their impacts. The final part of the chapter focuses on the coping strategies citizens and employees are using to respond and develop strategies to manage welfare reform more effectively in their everyday lives.

Chapter 8 resolves my questions by connecting my findings, principally from the interviews undertaken, with the academic and policy literatures. It uncovers a number of additional questions which have arisen in the research process and which might usefully be used to formulate future research projects that can extend and deepen our understanding of this topic. Crucially, the chapter will also elucidate the unique contribution to the existing knowledge base and the connections with established theory and literature around austerity politics and welfare-to-work that the thesis makes, and what the implications of such a contribution are going forward.

Chapter 2: Nascent Welfare Geographies – (Re)new(ing) Prosperity Through Austerity?

This research is focused on identifying whether there has been a qualitative shift in both the geographies and politics of welfare provision following the 2008-9 financial crisis. To begin to address this main research aim, the purpose of this chapter is to identify the key periods and shifts in welfare geographies since the advent of Welfare States in advanced capitalist countries in the second quarter of the 20th Century. This is necessary if we are to decipher whether or not we are currently witnessing a qualitative shift sparked by the 2008-9 financial crisis and ensuing global economic downturn. The notion of a qualitative shift is important because a number of academic and political commentators are relating current political-economic shifts to those which accompanied the collapse of the Atlantic Fordist-Keynesian institutional compromise in the 1970's, and before that the Great Depression of the 1920's and 1930's which prompted the formation of the Keynesian Welfare National State (Jessop, 1993; 2002). Moreover, and in the UK context, the notion of a shift in welfare policy, provision and the geographies of welfare has particular pertinence to the shift which has arguably occurred under the auspices of an 'austerity package' of policy measures outlined and implemented by the 2010-2015 Conservative-Liberal Democrat Government (HM Government, 2010). This in particular has important implications for the state-citizen relationship, that is, the always contested and negotiated bedrock of how modern democratic societies operate (Pykett, 2012; Painter and Pande, 2013).

To achieve this, the chapter will be structured according to the generally accepted periods of welfare geographies, specifying the characteristics of each period and the qualitative shifts which have taken place from one period to the next. Section 2.1 will therefore focus on the 'Golden Age of the Welfare State' – from its infancy in the inter-war and immediate post-war years through the forty years of political consensus. Specific emphasis is then placed on the widely accepted qualitative shift from traditional Keynesian-style welfare policies of the mid-20th Century to the emergence of workfare in the final quarter of the 20th Century. Accounting for this

qualitative shift, Section 2.2 traces the emergence of a 'welfare-to-work' discourse, but in particular, will identify and characterise different elements to this discourse with reference made to the different political standpoints adopted by various UK Governments from the late-1970's (and the advent of Thatcherism) to the 'Third Way' policies of New Labour which immediately preceded the financial crash of 2008-9. It will outline the various different phases this system went through, as well as contending how these were arguably part of the same wider agenda as opposed to completely different notions in their own right. The final part of this chapter, Section 2.3, will focus more acutely upon the current political-economic era of 'austerity'. An emerging academic literature is developing around notions of post-Neoliberalism (Peck et al., 2009; Hodkinson and Robbins, 2013), as well as a 'new' politics of austerity (MacLeavy, 2011; Ladi and Tsarouhas, 2014) and stricter welfare-to-work conditionality, particularly for those in low paid forms of employment (Newman, 2011; Etherington and Daguerre, 2015). Henceforth, this section interrogates whether these contributors are suggesting a qualitative shift in the welfare geographies and the state-citizen relationship, or are we are seeing a reinforcement of more substantial long-term processes of neoliberal restructuring, welfare-to-work albeit through a new discourse of austerity.

2.1 The Welfare State and its 'Golden Age'

Prior to World War Two, there was no effective structure for welfare provision through the state. For the most part, citizens were reliant upon themselves and their families, as well as a growing number of charities, to access welfare services (Carpenter and Speeden, 2007, in Carpenter et al., 2007). Whilst it cannot be ignored that there were extremely basic forms of welfare provision provided by the state prior to this, they were minimal and sporadic at best. However, post-World War Two this all changed, with a dedicated system of provision implemented by governments to establish conditions enabling an adequate standard of living for all citizens (Pierson, 1998). These countries included those in Western Europe, as well as those in North America, New Zealand, Australia and Japan. This new system of welfare provision entailed a number of key traits including free healthcare and universally available child benefits, as well as employment support for those out of work (Jones and

Lowe, 2002) - a policy especially pertinent given the large number of soldiers returning from the end of World War Two. Furthermore, it defined for the first time that the state had a specific responsibility to provide the basic necessities for attaining a minimum standard of living for its citizens and returning soldiers, who as constituents of the state had a preordained right to such provision (Goodwin and Painter, 1996). In essence this was the first significant qualitative shift in ideology seen in advanced countries; there was a definitive shift to enforce the responsibilities of states, and concomitantly emphasis upon the basic rights and needs of their citizens and former military personnel.

The conceptual basis of the Welfare State in the UK has its origins in the early 1940's, when Lord Beveridge published *The Report of the Inter-Departmental Committee on Social Insurance and Allied Services* (otherwise known as the Beveridge Report). This was to shape the attitudes of British Governments for years to come. In his 1942 report, Beveridge identified five 'evils' (squalor, idleness, want, ignorance and disease) which he believed were effectively choking social progress and stunting the potential for greater economic growth. He proposed a radical overhaul and reformation of the primitive social welfare system already in place in order to address these issues. His solution was to replace it with a fully-embedded system of welfare. In his report, Beveridge stated that:

> "the main feature of the Plan for Social Security is a scheme of social insurance against interruption and destruction of earning power and for special expenditure arising at birth, marriage or death. The scheme embodies six fundamental principles: flat rate of subsistence benefit; flat rate of contribution; unification of administrative responsibility; adequacy of benefit; comprehensiveness; and classification…Based on them and in combination with national assistance and voluntary insurance as subsidiary methods, the aim of the Plan for Social Security is to make want under any circumstances unnecessary" (Beveridge Report, 1942:9).

The cessation of World War Two and the subsequent election victory of the Labour Party in 1945 saw the recommendations of the Beveridge Report widely implemented. With them came the inception of the nascent Welfare State in the UK, accompanied by a swathe of new political legislation and policy processes, such as

the birth of the National Health Service in 1948. This was the beginning of a new relationship between the state and the individual citizen; the state defined the individual as having certain societal responsibilities to fulfil, but which would only be attained via state provision of core services such as education, health care and social security (Jessop, 1993). Thus, the national welfare system became inherently focused on citizen rights to an adequate standard of living and it was the responsibility of the state to ensure such welfare provision to all citizens in a redistributive manner 'from cradle to grave' (Beveridge Report, 1942).

The Keynesian Welfare National State, as the public welfare system became known, had several key features, the foremost of which surrounded the ideology of state intervention ensuring sustained and stabilised economic growth. By embodying a full employment rhetoric, the Fordist system of mass production and consumption traits associated with continued internationalisation of the world economy through the Keynesian Welfare State, could be suitably maintained and progressively strengthened (Mishra, 1999). Indeed, Keynesian-based welfare would create a 'floor' in the downward spiral caused by an economic downturn, creating conditions for a "minimum level of consumption regardless of economic activity" (Painter, 2002:161). As corollaries of this principle, through investment in a full employment ideology, the state could then recycle its economic surpluses back into the national system to target improvements in the standard of living of citizens, public services, and infrastructural integrity amongst others. Furthermore, it marked the point at which specific boundaries of citizenship were created to dictate the responsibilities imposed on the state for sustaining its citizens (Raco, 2009).

During this period of Keynesianism, the UK economy went through a 'Golden Age' of macroeconomic stability and growth (Pierson, 1998), and this boom in economic productivity was accompanied by extensive social progress, primarily through the widespread expansion of the Welfare State and other public sector enterprises. Piachaud (2012) has noted that a large percentage of the population were lifted out of poverty (which is frequently defined as 60% of median adjusted income), and inequality, which had for a long period of time been markedly increasing, fell significantly during this period. As Prime Minister Harold Macmillan aptly put it on the 20th July 1957, "you've never had it so good" (quoted in British Political Speech, 2015a:n.p).

General living standards also increased substantially, and unemployment fell below 3%, a level which has never since been achieved (Mishra, 1999). This post-war boom rapidly gathered pace in the 1950's and 1960's, taking advantage of the success of Fordist mass production and consumption, and its reliance upon large reservoirs of locally-available labour (Jessop, 1993). High levels of consumerism were sustained as disposable income for many families rose rapidly, along with their living standards and quality of life, and was aided by the enormous package of national public sector expansion, and the subsequent jobs that came with it (King et al., 2012).

2.2 Welfare State retrenchment and the rise of the Workfare State

2.2.1 The collapse of Atlantic Fordism and the growing threat to the traditional Welfare State

This long post-war economic 'boom' came to an abrupt end in the early 1970's as the structure of the internationalised Fordist-Keynesian system of capitalism began to crumble (Jones and Lowe, 2002; Jessop, 1993). The global economy went through a series of unprecedented upheavals, including the demise of the Bretton-Woods system in 1973, as well as the OPEC oil crises of 1973 and 1979, which pushed the global economy from one crisis to another throughout the 1970s (Altvater, 2009). The global nature of these crises threatened North Atlantic Fordist states (due to the role of foreign direct investment (FDI), the freeing up of capital and labour, and the emancipation of newly industrialising countries (NICs) in South East Asia), with the implications for the state being rapidly rising unemployment, low economic productivity and exponential growth in government debt. More locally, it consisted of issues surrounding local labour disputes, stagflation and strained living standards.

With the economic crisis being seen overwhelmingly as a failure of the Fordist-Keynesian system, this implied that the traditional Welfare State was also to fall on its own sword as a perpetrator of economic instability. It also forced politicians and businesses alike to start searching for alternatives to the failed Keynesian Welfare State system.

Welfare State retrenchment has been the underlying facet of the majority of Welfare States following the end of the 'Golden Age' (Schulze, 2010). It had become clear that the system of welfare provision which had underlain both global and national economies since the inception of the Keynesian Welfare State in the 1940's was flawed. The result was another definitive shift in policy thinking; at the end of the 1970's there was a clear qualitative shift away from the Keynesian Welfare National State (Jessop, 1993), which had become so well established over a number of decades in many countries, towards a more punitive and market-oriented regime of post-industrial Schumpeterian Post-national Workfare Regimes (Jessop, 2002).

2.2.2 The origins of welfare-to-work

This emerging regime of workfare represented a clear and definitive shift away from the Welfare State which had preceded it. It consisted of an ethos of the responsibility of the citizen to earn their rights to state welfare provision, primarily through paid employment (Jessop, 1993). The state system in this era began to be scaled back dramatically. Basic amenities such as unemployment support were still available to those who required them in their most basic forms, however the primary emphasis was placed upon people beginning to help themselves rather than relying on the state as a guarantor (Jessop, ibid). This shift in emphasis did not change overnight; however, there was a clear shift from the 1970s onwards whereby the process of shifting the emphasis from the state towards its citizens began.

Conditioned access to welfare support, including housing benefit, tax credits and disability support, coupled with an increased requirement to work, marked a distinctive shift in discourse. A second trend saw the state not only cut back on some welfare functions, but an increasing number of welfare functions were outsourced by the state to private sector providers including a growing number of voluntary and third sector organisations (Leonard, 1996). This new discourse became known as workfarism, or welfare-to-work. This new approach to welfare became most prevalent in countries falling under right-wing (neo) conservative mandates, such as the USA under President Ronald Reagan (1981-1989), and the UK, under successive Conservative Governments (1979-1990 under Margaret Thatcher, and 1990-1997 under John Major) (Dolowitz, 1998; Jessop, 2003; Peck, 2001; Peck and

Theodore, 2001). The policy of welfare-to-work became established as the cornerstone of many political mandates at this time, with far greater conditionality being placed on welfare provision than in the 'Golden Age', as well as the state actively pushing people back towards the labour market (Carpenter and Speeden, 2007, in Carpenter et al., 2007). This marked a further qualitative shift, with power moving away from the labour force and its trade unions to reside within the neoliberal principles of the market and the wider capitalist system (Cripps et al., 2011; Painter, 2002; Wills, 2001).

In the UK, the Conservative Party election victory of 1979 ushered in a new era of supposedly rationalised economic thinking, founded on minimal state intervention, faith in the market and the advocating of private enterprise and 'financialisation' of the economy (Jessop, 1995; King et al., 2012; Peck and Tickell, 1992; Peck and Tickell, 1995). This new economic agenda promoted deregulation, privatisation and reduced state intervention in accordance with an "ideological attachment to a neoliberal economic orthodoxy" (Held et al., 2003:4). States were driven to adopt a new economic imperative; one aimed at reducing public spending on welfare provision and re-concentrating it in certain spatial domains to maximise global competitiveness in a "new, ruthless economy" (Head, 1996, cited in Leonard, 1996:113) known as the neoliberal competition state. The very fabric of state space began to be restructured. As Brenner (2004) notes, the power logistics of globalising forces began to dictate that the national state was no longer sufficient as *the* spatial fix for competitive global accumulation regimes. Subsumed by the discourse of "locally embedded economic interactions becoming the basic preconditions for globalised capital accumulation" (Sassen, 1991, cited in Brenner, 2004:6), it was now national *and* post-national spaces - what Brenner (2004) terms "new state spaces" - which were taking precedence. In turn, this discourse also meant a shift from welfare to workfare through a neoliberal mandate (MacLeavy, 2014).

What this workfare discourse meant for UK society was a targeted reduction in benefits across the system (including the rate of unemployment benefit), juxtaposed with increased conditionality, greater scrutiny over welfare provision eligibility, and raising tax rates. These changes had significant consequences; many people had lost their jobs in traditional manufacturing and other industrial sectors, and many citizens had slipped into poverty due to the combined effects of diminishing income

from the lack of employment and concomitant reduction in state welfare support (Taylor-Gooby, 1988). In 1984, one decade after ruptures in the Fordist-Keynesian consensus emerged, unemployment in the UK peaked at over 3 million (12%) and this put enormous pressure on the welfare system (Office of National Statistics (ONS), 2009).

Henceforth, the traditional Keynesian Welfare State that had existed so successfully up until the 1970's had rapidly become unsustainable. In short, there were less people in employment contributing to the welfare budget through taxation, and more people drawing on the welfare budget due to rising unemployment. Because of this, the traditional system of welfare provision as it had existed for several decades was considered no longer viable by leading socio-economic organisations such as the World Bank and IMF, as well as the right wing Conservative element of the British political system, and was to be reconfigured through a twin-track neoliberal workfare framework deemed far more effective and competitive in an era of globalisation. However it should be noted that there were alternative views, including those on the political left who advocated even greater expansion of the public sector as a means of overcoming sustained economic decline. Thus whilst for the majority the everyday reality became one of workfare underlain by certain basic welfare allowances, a more traditional, yet highly conditional, rubric of welfare provision for those most in need remained in place. Such a policy mantra would be vigorously championed by successive Conservative Governments between 1979-1997, and although many argued it successful in maintaining a quasi-Keynesian welfare system the cutbacks were often to the detriment of those members of society occupying the most precarious working circumstances (low paid, part time), as well as those in poverty, left on the periphery of society (Brenner and Theodore, 2002).

The workfare state ideology in the UK effectively began altering the cultural perception of welfare responsibility being the absolute remit of the state, and instead enforcing it upon individuals, families, and, to an extent, the voluntary sector (Ross, 2009; Grimshaw and Rubery, 2012). This fresh approach to governmental policy processes had started to reverse the state-citizen relationship; welfare provision from now on would be much more closely attributed to the responsibilities of citizens to contribute economically to the overall wealth of the state in return for even the most basic welfare services, with concerted state intervention only coming to the fore as a

last resort (Raco, 2009). If the Welfare State was seen to provide a win-win for the state (a better educated, healthier workforce leading to increased productivity) the move to workfarism was seen to offer another win-win (moving more people into work, reducing reliance on welfare benefits, and reducing the state's direct commitment to supporting its citizens). In addition, an underpinning feature of Thatcherist neoliberal discourse was the enactment of a swathe of policies designed to promote deregulation of economic activities and corporate tax breaks. These procedures were incorporated to create a more attractive business climate, as well as a more competitive economic environment given the impending global threats from FDI outflows and the growing dominance of NICs, and therefore generating higher profitability and greater revenues for the UK state to plug the large hole in its fiscal budget.

Thus, the move towards a new 'Workfare State' by the Thatcher Government began to offer a fairly consistent resemblance to the right wing ideologies of welfare extremism devised by the Reagan Government and their Wisconsin Model in the USA. The Wisconsin Model prescribes how social mobility is attained through economic and social determinants. This was instead of its more traditional links to the socio-democratic systems seen across many of the advanced states of Europe (Groot et al., 2011).

2.2.3 The era of welfare-to-work

It is now common-place to talk of welfare-to-work as the dominant discourse of welfare provision in the post-Fordist, post-Keynesian, post-national era of neoliberal capital accumulation. The outcome of adopting such a discourse and "its destructively creative 'logic'" (Peck, 2010:106), coupled to the widespread diminution of state benefits, has led many to point to a colossal growth in inequality, insecurity and a rapid loss of social stability (Lister, 1998; Peck, 2002; Taylor-Gooby, 2004; Theodore and Peck, 1999).

The neoliberalisation of welfare provision was pivotal in further increasing the distinctive geographical unevenness through which wealth, employment and welfare provision, and therefore quality of life and standard of living, have developed in the

UK as a result of welfare-to-work policies (Carpenter, Speeden, Griffin and Walters, 2007, in Carpenter et al., 2007). Dealing with economic crisis in the 1970's and early 1980's and then again in 1992/3, successive Conservative Governments had managed not only to control budget deficits and relinquish the state from its ties to a role of basic socio-economic guarantor, but had also succeeded in transforming the underlying ethos of British society by setting in motion the diminution and reorganisation of an assumed set of particular citizen rights to be provided directly by the state. As Fothergill and Wilson (2007) point out, the Conservatives had institutionalised a system nurturing individual responsibility and private innovation, or more succinctly, a shift towards conditional state provision in exchange for individual contribution to society through meaningful employment, or the accession of the responsibilities of citizens over their basic rights. Taylor (2010:3) succinctly acknowledges this, suggesting that:

> "because of Neoliberalism most states became more subtly callous towards their less well off, tolerated more exploitation of those who worked…were less generous with welfare provision and were more prone to support the ambitions of the super-rich."

This radical new 'welfare-to-work' agenda was to lay the foundations of the increasingly privatised system of welfare provision we see today. Whilst the UK did not go as far in this process as other states around the world, most notably the American conservative movement under Reagan and then George Bush Senior (Pierson, 1995), under the Thatcher regime state enterprises were progressively and systematically rolled back in favour of privatisation and unfettered market capitalism (Peck and Tickell, 1992; Peck and Tickell, 1995).

By the mid 1990's it became clear that the workfare regime which numerous states had rigorously implemented and followed incorporated a number of flaws and challenges which could not necessarily be overcome. States were encountering significant difficulties with respect to poverty and unemployment under such a mandate as well as rapidly rising inequality (Holt and Greenwood, 2012). These problems paved the way for change in political leadership, with more liberal and socially sympathetic politics coming to the fore in many countries; in the USA the Democrat Bill Clinton came to power, and similarly in the UK the reformed New

Labour Party under the leadership of Tony Blair began rapidly gaining in popularity (King and Wickham-Jones, 1999; Peck and Theodore, 2001). Indeed New Labour promised to make acute changes to the way the state system was run. In their 1997 election manifesto they continued to advocate the primacy of the market akin to many of their Conservative predecessors, however coupled to this they believed in the state taking a proactive stance in tackling many of the social problems still present in the UK through their 'New Deal' programme (Daguerre, 2004). Whilst this might give a false impression of another significant policy shift back towards traditional Keynesian welfarism, it can more accurately be defined as a re-articulation of the welfare-to-work rhetoric which had come before, but simply in a more palatable, socially democratic, form.

2.2.4 Moving towards a 'Third Way'

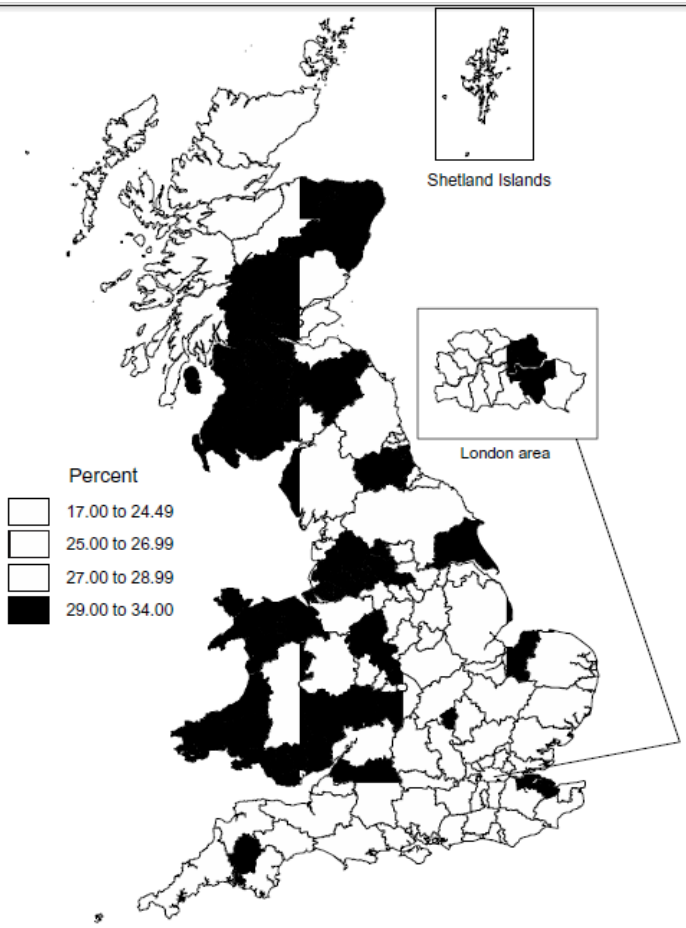
The 1990's saw the emergence of what has become known as a 'Third Way' political discourse (Fyfe, 2005). This agenda is somewhat more difficult to define than the systems that had come before it, taking the middle ground between socialism and unfettered market capitalism (Powell, 2000). Third Way politics advocated the important role of the market and private enterprise in securing prosperity and strong economic growth in the long term, whilst simultaneously accepting that the state had a pivotal role to play in the emancipation both of its citizens and the economy itself (Fuller and Geddes, 2008). What was coming to fruition was a shift towards the public and private sectors working together (essentially a balance between the state and the market), along with a renegotiation of the relationship between the state and its citizens, with both parties being deemed as having responsibility for ensuring an adequate standard of living (Powell, 2000). However, the underlying workfare mandate remained as strong as ever, with welfare-to-work initiatives such as the New Deal becoming the focal point of many policy agendas, and:

> "represented policy transfer from the USA in terms of the diagnosis of the problem (welfare dependency), the proposed solution (the centrality of paid work) and the instruments (a greater use of compulsion)" (Daguerre, 2004:47; see also Peck, 2002; Peck and Theodore, 2001).

Thus whilst the underlying politics of workfare have continued to play a pivotal role in socio-economic prerogatives worldwide into the 21st Century, in the UK there has in fact been a slight change in direction of such discourses since the first election victory of New Labour under Tony Blair in 1997. The New Labour Government concurred that workfare policies were the right way forward (Daguerre, 2004; Finn, 2003) as a method of bolstering competitiveness and flexibility in an ever more globalising economy, as well as acting as an effective tool for tackling the growing welfare bill being faced by the state and the deep-rooted 'politics of expectation' (Raco, 2009). Labour believed that there would always be a 'hard core' of individuals who simply had no desire or interest in relinquishing their purportedly generous state benefit packages by becoming actively subsumed into the workforce in line with the government's full employment rhetoric (Finn, 2000). It was also noted that many of the people classed as long term unemployed or reliant on incapacity benefits (IB) were those who had left school with only a low level of educational attainment, mainly women and young people, or tended to be older workers who had been made redundant from low skilled, blue collar jobs or where the skills had become redundant in both the modern UK, and a quicksilver global, economy (Fothergill and Wilson, 2007).

Blair's Labour Governments were keen to escape from a period of 'serial policy failure' seen under previous Conservative Governments, by rearticulating the existing framework of workfare into an alternative semblance (Peck, 2010:107). They set about utilising alternative human capital development (HCD) programmes, which specifically targeted those in society lacking the skills and confidence to re-enter the labour market in anything other than the most menial and insecure jobs. Policymakers identified many of those claiming benefits as lacking the relevant skills to obtain meaningful and long term employment into the future, and so encouraged behavioural change through educational 'up skilling', work placements and increasing the intensity of job search programmes (Fletcher, 2011), as well as 'incentive reinforcement' measures (Bonoli, 2010:449). All these aspects were incorporated within several New Deal initiatives established after Labour's 1997 election victory. The following years saw a gradual decline in the unemployment headcount in the UK, however, it remains debatable as to how much of this reduction could be afforded to these New Labour initiatives, and how much was actually the

result of a continually expanding and strengthening UK economy. What is for sure, the two did so hand in hand. Furthermore, as Sunley et al. (2001) have conveyed, the New Deal programmes have paradoxically been least effective in inner city areas where youth unemployment has been most pronounced (see Figure 1 and Figure 2). This is important because it is where their policies are sold as being most influential. The dirigiste Labour Government also made considerable alterations to the state benefits system. They enforced an initiative to ‘make work pay’, and attached a high level of conditionality to the acquisition of benefits. Of particular significance was their focus on reducing child poverty (Piachaud, 2012) and the implementation of working tax credits, but Labour also gave greater attention to the needs of those classed as long term sick or disabled through welfare-to-work support under the ‘New Deal for Disabled People.’ This encompassed a number of elements such as Disability Living Allowance, Incapacity Benefit and tax credits designed to support sick and disabled people with their specific needs as well as helping them overcome the societal barriers to work where possible (Drake, 2000).


Shetland Islands
London area
Percent
17.00 to 24.49
25.00 to 26.99
27.00 to 28.99
29.00 to 34.00

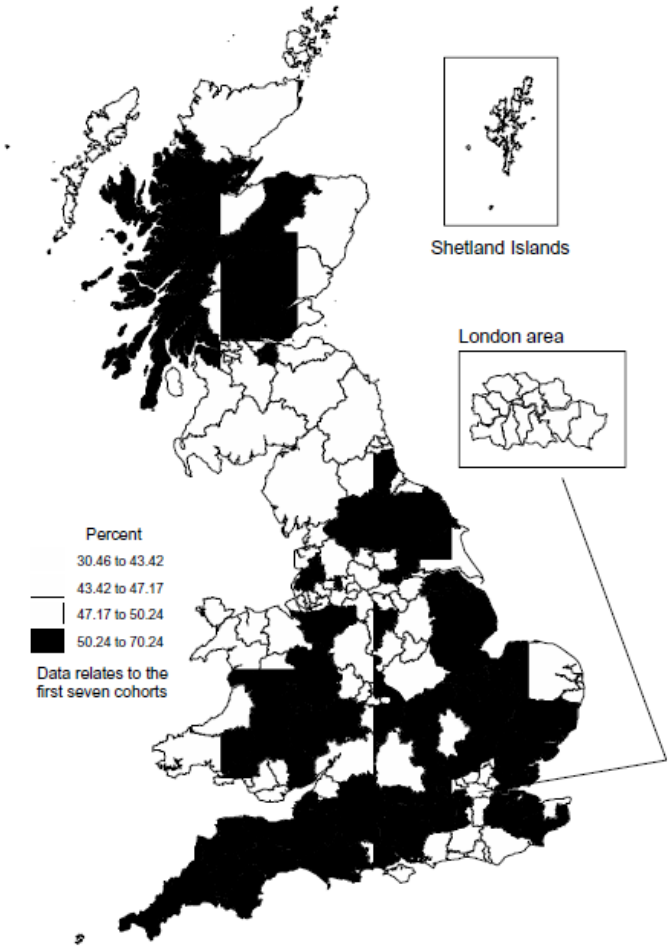


Figure 1: Distribution of youth unemployment in the UK in 1997 compared with 2000 (Source: Sunley et al., 2001:489-490).

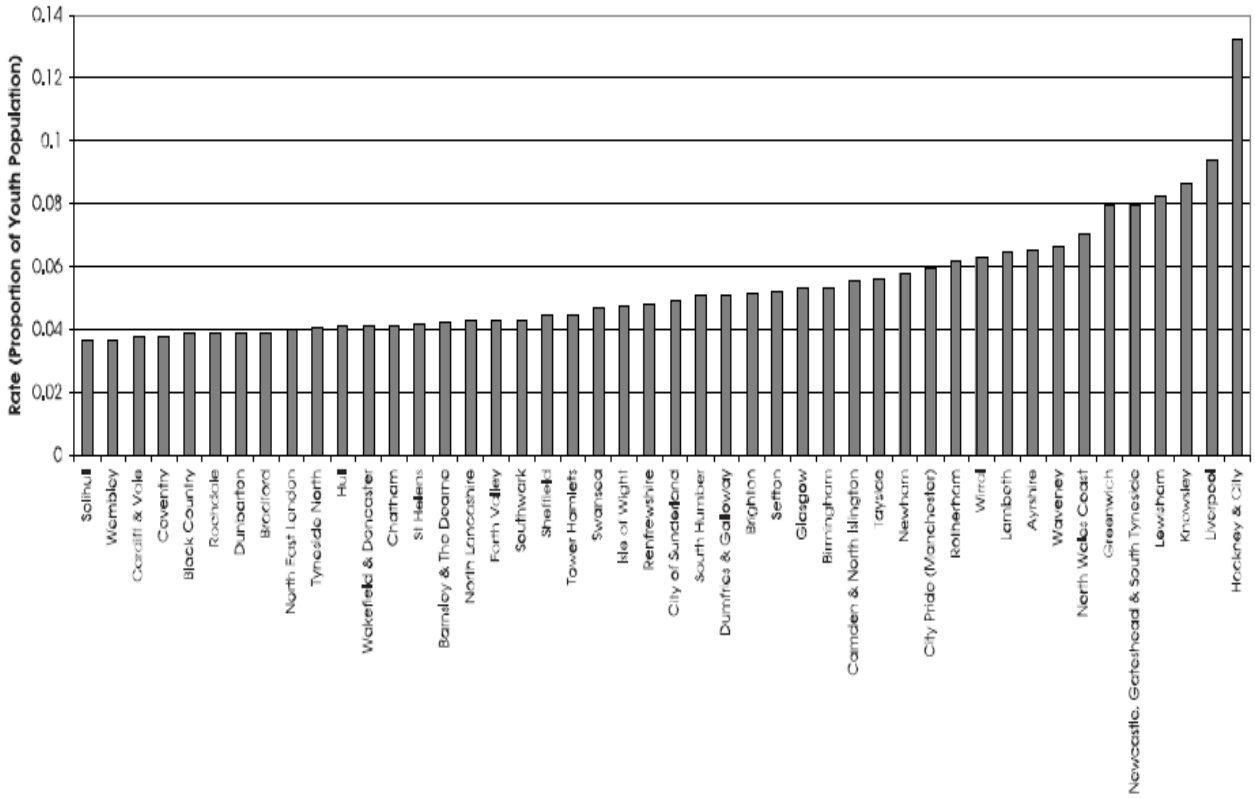


Figure 2: Youth unemployment in the worst affected towns and cities in the UK (Source: Sunley et al., 2001:488).

Overall, the Labour Government maintained the neoliberal practices embedded in the UK in the 1980's, but also reinvigorated certain aspects of the Keynesian Welfare State system. Consequentially, whilst acknowledging that some members of society were completely dependent on the state for welfare provision, and as such had a rightful entitlement as citizens to expect it, they also promoted the need to reduce the welfare bill through a number of 'time-limited welfare' policies (Peck and Theodore, 2001) combining both active employability and job search assistance with effective authoritarian benefit sanctioning. In short, Labour claimed this was a successful modern 'carrot and stick', but one which offered 'Opportunity for All' (Department for Work and Pensions (DWP), 1999). Yet, Blair himself came to acknowledge this was a crucial part of his 'Third Way' policy discourse (Foley and Martin, 2000), but which required significant expansion of state enterprises in order to act as a socio-economic 'manager' of *both* public and private initiatives.

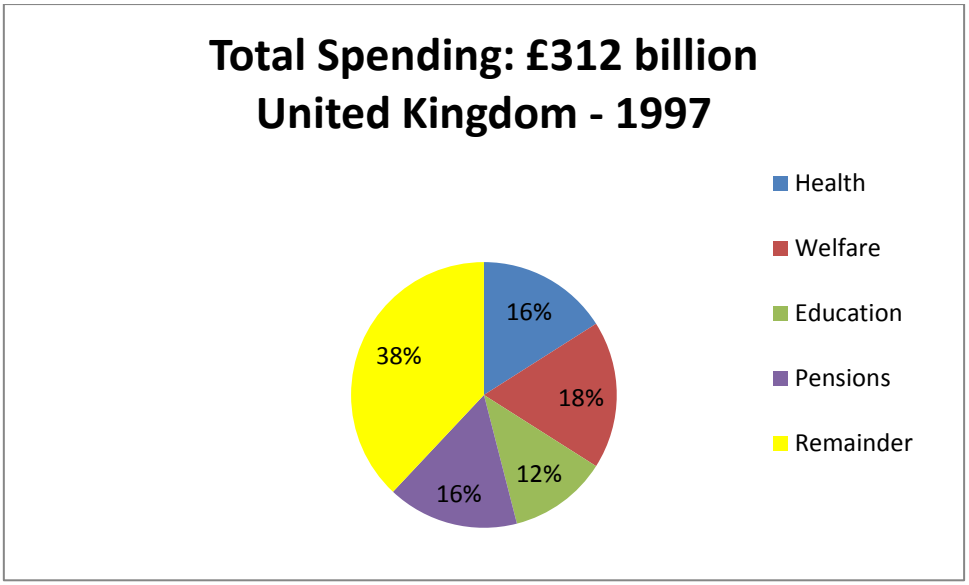
Throughout the Labour Governments of Tony Blair and Gordon Brown, heavy emphasis was placed on the “rights and responsibilities” rhetoric of citizens (Peck and Theodore, 2001). Labour prioritised the reduction of child poverty, and despite a distinct lack of progress in this area in the latter years of their administration, this issue continually had a large swathe of policy measures dedicated to it (Dickens, 2011). What is crucial to understand is that the Labour Government recognised the inherent complexity of the socio-economic situation in the UK. They acknowledged that the private and public domains were far from self-contained entities, instead being interlinked and therefore heavily dependent on each other for their own efficiency and effectiveness. Nevertheless this system has served primarily to erode the entitlements of citizens to basic social welfare provision (Ross, 2009). This is very much akin to the policies advocated by earlier Conservative Governments of the 1980’s and early 1990’s, although in a slightly altered form. The result is that the state has an underlying conditional responsibility to its citizens to ensure that this minimum level of amenity is provided for all citizens, no matter what their race, class, age or gender; however the overriding responsibility in the long term now rests with individuals and their behavioural tendencies (Fuller and Geddes, 2008).

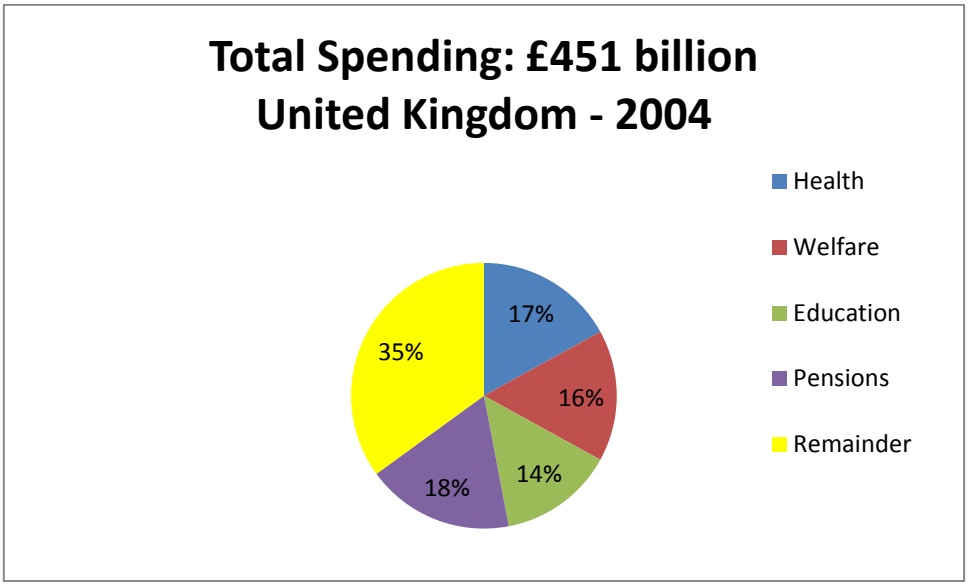
Under New Labour, citizens saw the expansion of welfare provision not experienced since the era of post war rebuilding, including a vastly increased and specialised array of social benefits, strong minimum wage regulations and more generous unemployment protection amongst others. Stalwart New Labour advocate Anthony Giddens (2007:18) identifies similarly important principles, suggesting that:

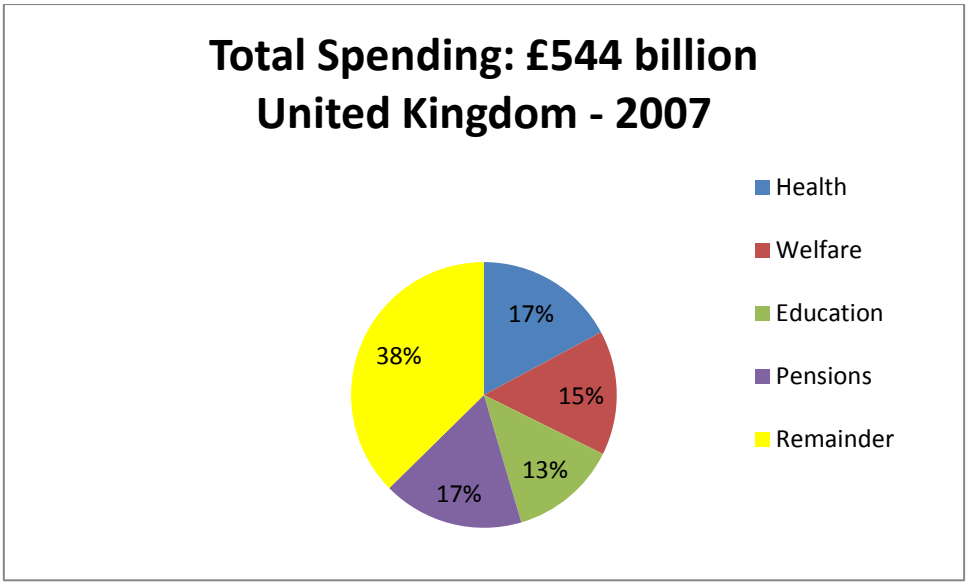
> “as far as possible, the object of social policy should be to clear away the barriers that prevent those at the bottom from being able to realise their aspirations.”

Furthermore, Labour were determined that their government would not slip into the trap of once again increasing public debt to unsustainable levels, but would instead utilise the revenues generated from a more attractive and competitive economic arena and overhauled tax system that they had created in the UK as the platform for increased expenditure on the social needs of the state and its citizens (Smith, 2010). However, hindsight tells us that such an agenda would be far more difficult to achieve in practice. Thus it could be said that whilst economic growth was a focal

part of the agenda, Labour's policies prevented such economic processes from subsuming the social goals which they firmly believed in. Even though Labour failed to prevent further accentuation of the wealth gap overall in the UK - because while the poor did become wealthier, those already rich increased their wealth at a far greater rate - they did succeed in reducing the rate of increase in inequality within society to some extent (Fuller and Geddes, 2008). As can be seen in Figure 3, this acclaimed success can most certainly be attributed to the massive influx of welfare spending implemented during this time, sustained and underpinned by economic growth, and can clearly be seen as a reversal of fortunes for many in society compared with their plights under the auspices of previous Conservative Governments as well as the subsequent policies of the Conservative-Liberal Democrat Coalition, and hence a more rigid form of neoliberal workfare.


Total Spending: £312 billion
United Kingdom - 1997
Health
Welfare
Education
Pensions
Remainder
16%
18%
12%
16%
38%


Total Spending: £451 billion
United Kingdom - 2004
Health
Welfare
Education
Pensions
Remainder
17%
16%
14%
18%
35%



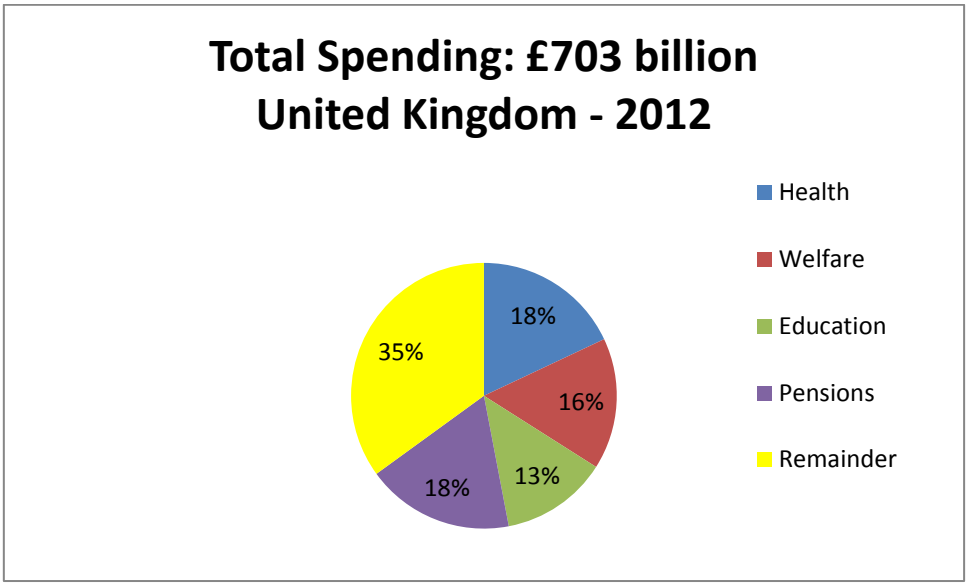


Figure 3: Percentage of total spend by the Labour Government on welfare provision in 1997, 2004 and 2007, compared to Coalition spending in 2012 (Source: UK Public Spending, 2012a).

It became abundantly clear however, that state governments had been spending beyond their means when the financial crash of 2008-9, and subsequent economic crisis, exposed what had appeared manageable government debts to crisis-ridden international markets (Smith, 2010) (see Figure 4, Figure 5 and Figure 6). In the UK, the keystone mandate of the Labour Government had been to reduce poverty and inequality through increased public spending, financed by imposing a greater burden on big business, financial transactions and upon those in the upper ranks of society (Peck and Theodore, 2001) through a regime of 'tax and spend' (Pearce, 2011:8). This in effect would ensure that public deficit remained manageable despite high

levels of spending, concomitantly containing inflation and interest rates at low levels. Despite this promise, it became clear that such improvements were increasingly being financed by heightened borrowing, as greater levels of spending than could be obtained via tax returns and economic expansion were required in order to sustain continual socio-economic improvements over time, along with the burgeoning cost of welfare (Smith, 2010), and the apparently over-generous benefits system which had accompanied their 'make work pay' rhetoric.

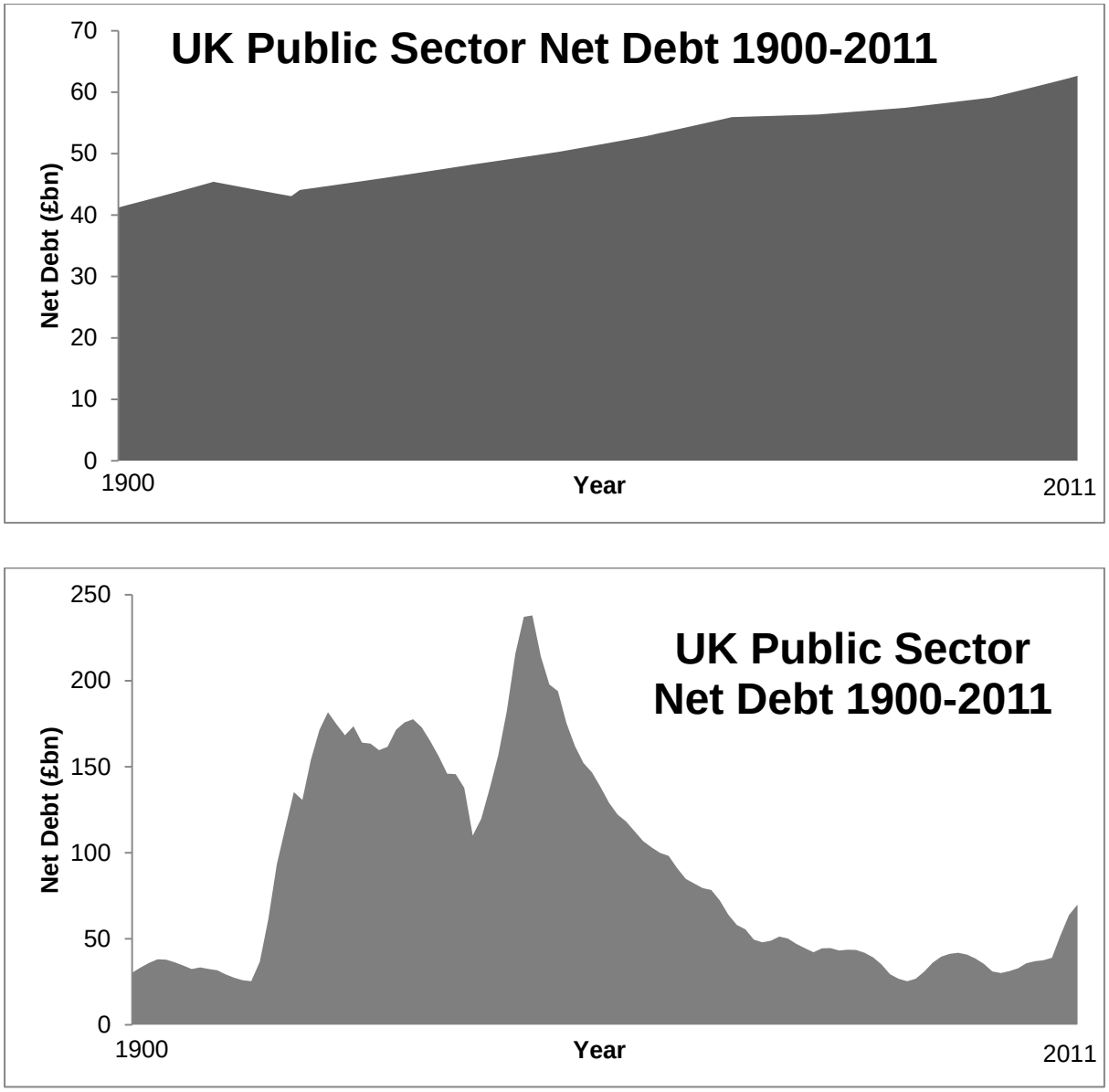


Figure 4: UK public sector debt, 1900-2011 (Source: UK Public Spending, 2012b).

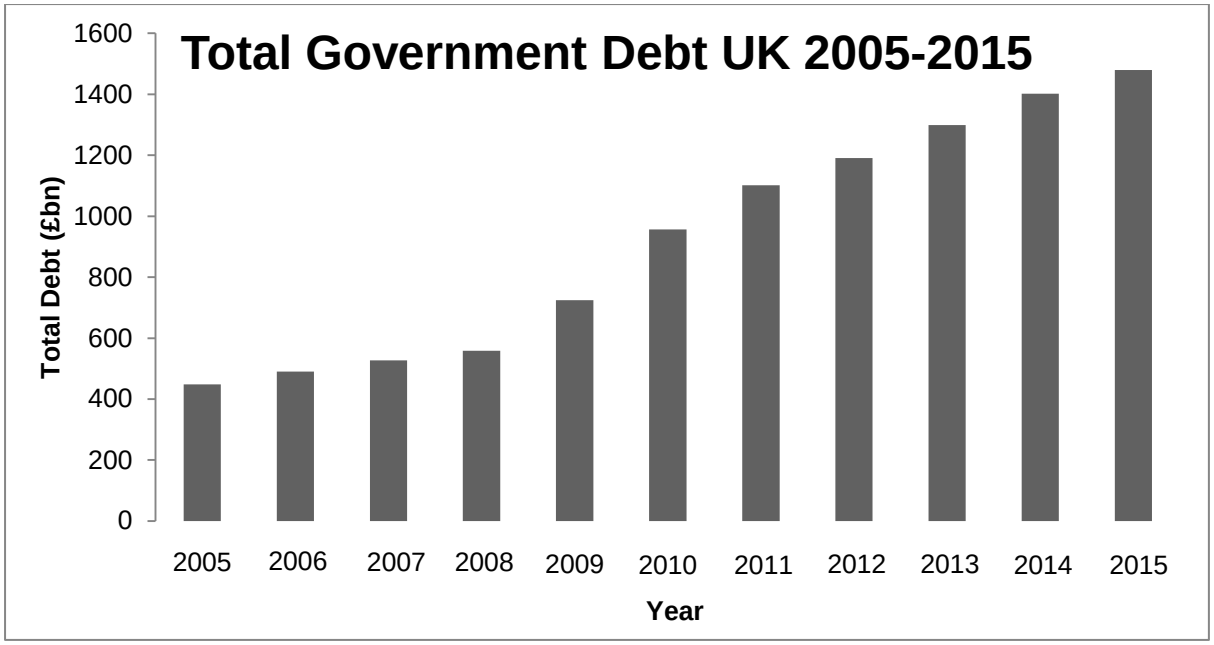


Figure 5: Increase in total UK Government debt, 2005-2015 (Source: UK Public Spending, 2012c).

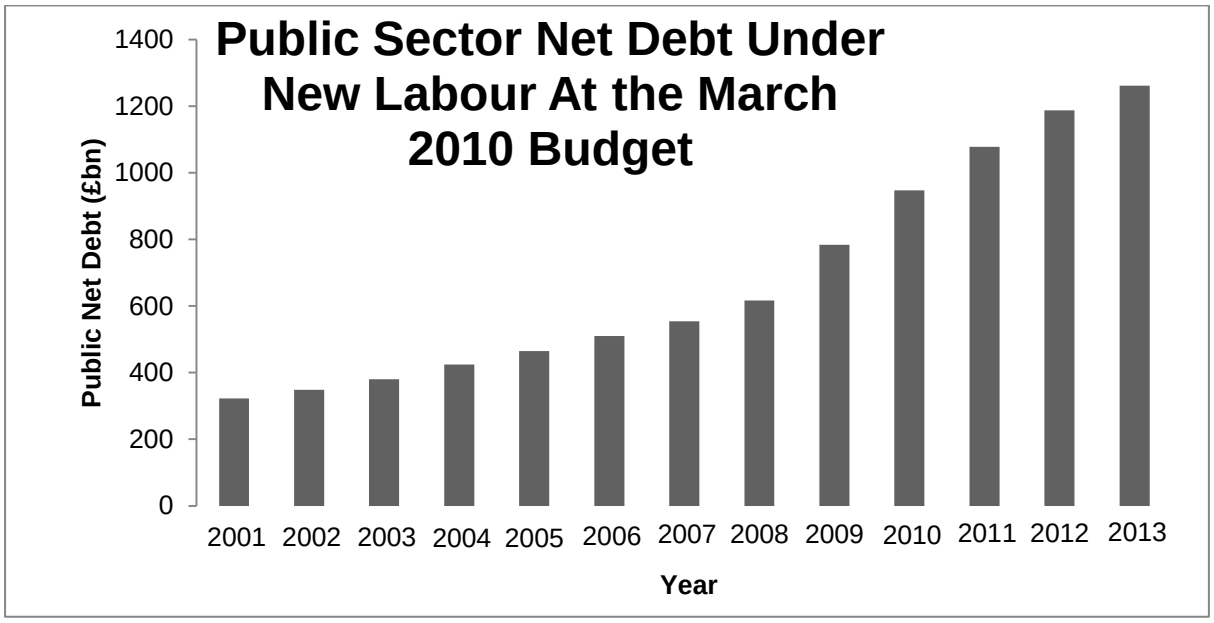


Figure 6: Change in public sector debt under New Labour (Source: The Market Oracle, 2011).

With the onset of the financial crisis and the subsequent global recession, in conjunction with the array of fiscal stimulus packages and financial bailouts provided by central states, public debt in Britain grew exponentially to levels not seen since the end of the Second World War (Hills, 2011), and furthermore, was becoming increasingly difficult to service (Hodson and Mabbett, 2009). This situation appeared to be very similar to the situation experienced in the early 1970's, where it became

increasingly difficult to service the Welfare State. It is this which has subsequently indicated that welfare provision in the UK might be entering an entirely new phase, although at the present it would be difficult to insinuate whether this is likely to be something entirely new, or more a reinvention of the neoliberal system which has come before it.

The policy discourse brought in by New Labour came to a shuddering halt in 2008 with the onset of the financial crisis and recession which were to violently shake the economic core of the global economy. As Peck et al. (2010) have recently argued, the neoliberal model had demised into a self-perpetuated crisis. The global system of market capitalism which had existed from the late 1970s up until the onset of the 2008 crisis was inherently built upon financial speculation and a state of "endemic 'myopia'" (Altvater, 2009:77) – the assumption that prices, and henceforth profits, would continue to steadily rise. In the words of Gordon Brown, the then Chancellor of the Exchequer, at the 2000 Labour Party Conference, this would "protect hard working families from a return to boom and bust" (British Political Speech, 2015b). This is a similar argument to that of Keynesianism and its placing of a 'floor' in the level of popular consumption. This expectation accumulated over several years and ran into the early years of the 21st Century, eventually creating a significant 'credit bubble' (Peck et al., 2009:98) in housing markets. This occurred in many countries around the world, but most pertinently, in the USA, where there was a surge in subprime mortgage lending overseen by Federal organisations Freddie Mac and Fannie Mae (Aalbers, 2008, 2009; French et al., 2009; Martin, 2011).

This boom phenomenon became precariously intertwined with the global banking system, creating a scenario whereby any faltering of this continual growth would cause serious implications worldwide. When this occurred in 2008 as a result of the widespread global exposure of multinational banks to the frailties of the market through high risk investment activities (Derudder et al., 2011), it became rapidly apparent that both public and private enterprises within national states had been forged on undeniably strained foundations. This was linked to over-borrowing and under-consumption, and subsequently both national governments and their debts became exposed to this crisis of global finance (Cripps et al., 2011). In the USA, the bursting of the housing bubble led to financial meltdown within the banking sector, and the crisis quickly spread worldwide, with the UK being one of the heaviest

casualties, primarily due to its structural coherence with the USA compared with the rest of Europe (Peck et al., 2010). The banking sector bore the brunt of the impact due to generally misguided lending strategies; indeed, the £133bn bail-out noted previously was required to nationalise one bank (Northern Rock) and to recapitalise certain others deemed too big to fail (such as HBOS, Lloyds TSB and Royal Bank of Scotland).

But how were such events pivotal to the tendential existence of the British Welfare State? The crisis in the banking sector in 2008 and 2009 began to have equally negative connotations for the global economy as a whole. It led to a global recession lasting from Q1 2008 until Q4 of 2009, although Gross Domestic Product (GDP) in the UK did not return to pre-crisis levels until Q3 of 2013 (ONS, 2014a), and at the time of writing, this period of economic downturn appears not to have been fully resurrected (particularly in the Eurozone). The outcome was an increasingly disgruntled citizenry, with public opinion, especially following the entry of the UK into recession in 2009 and the negative socio-economic connotations which this entailed - growing level of household debt and inflation on everyday essentials such as food and fuel (Smith, 2010). As a result, New Labour and their policy ideologies were voted out in the 2010 General Election. However, the outcome was far from clear-cut, in that no party won a clear majority or had a clear mandate for the future. A coalition was formed between the Conservatives (36% of the vote) and Liberal Democrats (23% of the vote) coming together in the national interest to form a government capable of resurrecting the UK economy from a prolonged period of downturn and addressing its debt problems (Sawyer, 2011). Henceforth, the question that immediately arises from this is that given the tumultuous economic climate we have found ourselves in, and therefore the new austerity politics which have accompanied it, is a qualitatively different welfare discourse being formulated compared to the Thatcher and Blair/Brown years? Alternatively, is it simply another phase of workfare which has been reorganised to survive the current economic climate, and therefore is showing little or no signs of difference from what has preceded it?

2.3 The ‘age of austerity’ – qualitative shift or more of the same?

Given the changes to government policies over the post-war decades, this final section will deal with the scenario we have been dealt with at the present. As can be noted from earlier parts of this chapter, the state has, in hindsight, undergone a specific and somewhat ordered shift to the present situation (although this has undoubtedly appeared more or less chaotic and sporadic at particular times), with a gradual transformation in policy rhetoric, an almost complete overhaul of the nature of state welfare provision, and inversion of relationship between the state and its citizens in many policy spheres (e.g. payment for higher education in England). The issue that now arises is that with characteristics somewhat akin to previous political-economic crises and the conditions immediately thereafter (rising employment, economic restructuring etc.) (Davies and Pill, 2011), is what we are currently viewing a renewal of what went before, or is it something entirely new, that is, a distinct qualitative shift which we might come increasingly to recognise as a ‘post-neoliberal’ era (Peck et al., 2010)?

Most capitalist states are now characterised by their convergence towards the intensification of workfare, and their allegiance to an austerity drive and fiscal rationality in the face of mounting public sector debt (Chung and Thewissen, 2011). Within this rhetoric, there are a number of agendas coming to the forefront of policy discourse, such as welfare-to-work, work first, and make work pay (Newman, 2011). Similarly, the responsibility for welfare once again appears to have shifted to the right, with the state washing its hands of all but the most basic forms of welfare provision, and instead forcing reliance upon the private and voluntary sectors as citizens are left to fend for themselves to a large extent (Patrick, 2012). Despite these facets, it is still unclear as to whether this “responsibilisation” of welfare under austerity (Howell, 2015:69) represents a definitive break in policy from the past, or whether it is a continuation of existing policy rhetoric in a different guise.

With this in mind, the 2010 UK General Election became pivotal, not least for the future structure of state welfare, with both the major parties advocating cuts to welfare as part of wider reductions in public expenditure to lower the budget deficit. However whilst Labour promoted measured cuts to welfare as part of a “socially democratic response”, the Conservatives pressed for rapid, deep cuts to welfare to

negate the deficit as quickly as possible, with much greater emphasis on people helping themselves through the 'Big Society' (Smith, 2010:818). Indeed the Conservative General Election Manifesto (Conservative Party, 2010:3) stated that:

> "Gordon Brown's debt, waste and taxes have wrecked the economy and threaten to kill the recovery. A Conservative Government will take action now to cut the deficit, stop Labour's jobs tax, help keep mortgage rates low and get the economy moving. We will create a new economic model built on investment and savings, not borrowing and debt."

In contrast the Labour General Election Manifesto (Labour Party, 2010:12) stated that:

> "Our job guarantees will put an end to long-term unemployment and a life on benefits. No one fit for work should be abandoned to a life on benefit, so all those who can work will be required to do so. At the same time, we believe that people should be able to earn enough to live and be better off than on welfare."

A new Coalition Government between the Conservatives and Liberal Democrats came to fruition, although without a clear political consensus and the power weighted firmly towards the Conservative side of the Coalition. Despite their distinct ideological differences, there was a mutual agreement to undertake a process of fairly severe fiscal austerity implementation as a method of rapidly reducing the burden of national debt. Whilst such a course of action might well be expected from the Conservatives, it was a far reach from the traditional values of fairness and equality of welfare for the poorest people in society advocated by the Liberal Democrats in their election campaign. In fact their General Election Manifesto economic plan stated that:

> "We set out in this manifesto a clear plan to bring the budget back under control, being honest about the tough choices we need to take. We will cut taxes for millions of working people and pensioners, paid for by making sure that the very wealthy pay their fair share and that polluting air travel is properly taxed. We will boost the state pension by immediately restoring the link with earnings growth." (Liberal Democrats, 2010:13)

Such wholesale changes to government policy strategy, including policies around student fees, the Spare Room Subsidy (Bedroom Tax), the Work Programme and Universal Credit, have been seen as the key to rapidly reducing the imposing budget deficit which the Coalition Government, and the social economy as a whole became shackled with from the onset of the global financial crisis in 2008.

Right from the outset the Coalition were committed to a £70 billion reduction in spending by 2016/17 and the lowering of public expenditure to 40% of GDP by 2031/32 (Institute for Fiscal Studies (IFS), 2010). With decisive cuts needing to be carried out to address the largest level of public debt experienced since the end of the Second World War (see Figure 5), resulting from increased public sector spending by earlier Labour administrations as well as the effects of the global financial crisis, the large public sector therefore became the Coalition's obvious target of fiscal rationalisation. Their policies centred on the idea of a smart public sector with limited state interference. Such a policy agenda entailed both the implementation of stringent cut backs on state welfare and services, coupled with a marked increase in reliance on private sector and voluntary (third) sector investment and provision (Johnston et al., 2011).

By implementing measures such as the new universal system of credit - a replacement for several different forms of benefit now all moulded into one, simpler form of provision - tax reforms, as well as altering employment criteria and the requirements of individual citizens (Jones, 2012), the government has now created a situation where many believe the state has effectively become unshackled from the responsibility of holistic provision for its citizens (Patrick, 2012). The government has ensured that there is now a far greater emphasis on the role of the individual and voluntary organisations to facilitate self-help initiatives and henceforth achieve the minimum standard of living which should be expected in the UK today (Hamnett, 2010; Milbourne and Cushman, 2014).

Whilst such a mandate for citizens to work and earn welfare entitlements was in place under the various New Deal initiatives of the Labour Governments, this latest Coalition social contract has gone further by enforcing even more strict conditionality upon welfare-to-work in post-crisis welfare provision. Indeed, whilst the policy processes which have come to fruition under the auspices of fiscal austerity offer a

far more radical approach to state welfare provision (including the ongoing process of reclassifying those on disability benefits and restructuring working tax credits and child benefits such that fewer families are entitled to them), it is not entirely novel in its methodology. Instead, in most respects it appears to be simply an extension and amalgamation of a number of policy processes which were already in place before the Coalition came to power (Hobsbawm, 2011), although this has yet to be proven conclusively through research findings.

In addition, this continued neoliberalisation has formed the basis for the government's key agenda to 'make work pay.' The Coalition has continued with the 'roll out' phase of Neoliberalism (Peck and Tickell, 2002:396) which formed the basis to 'make work pay' for their Labour predecessors, and they firmly believe that paid employment is the most effective way out of poverty (Daguerre and Etherington, 2009), even for those participating in the labour market at the lowest tier. However, unlike the previous government, they did not agree with the idea of supplementing income with extensive benefits to essentially fabricate a decent standard of living for all at great expense to the public purse. What they proposed was a complete overhaul of the existing benefits system. This has entailed a range of 'smart' governance measures, most pertinently concerning the reduction of unemployment benefits to an absolute minimum level and the implementation of a universal system of credit for those in regular work (Hamnett, 2010). Furthermore, it has entailed greater means-testing of welfare provision such that the number of people able to claim support such as disability benefits is being reduced as far as possible (Weston, 2012), whilst those who earn more than the national average wage face losing benefits payment altogether.

The Coalition Government's Welfare Reform Act 2012 (HM Government, 2012) outlined by Work and Pension's Secretary Iain Duncan-Smith forms the basis of this post-crisis workfare agenda. The result has been a drive to push those on the fringes of employment back into the jobs market through a systematic retrenchment of social protection such as unemployment benefits (Fletcher, 2011), yet at a time when unemployment itself has continued to rise (Hamnett, 2010). Whilst bolstering the strength of the Coalition's austerity discourse, such a system has served to further discriminate against those most in need - low-skilled women, single parents, young people emerging into the jobs market from a poor educational background, the

elderly and ethnic minorities occupying temporary and uncertain working arrangements on the fringes of society (Taylor-Gooby et al., 2014). It is these groups who tend to inhabit the most precarious employment conditions and so are the first to be pressurised by welfare reforms (Standing, 2011; Theodore and Peck, 2013), which in turn has been accentuated by the government's more stringent form of welfare-to-work socio-economic policies (Harkness and Evans, 2011).

In effect the government has attempted to extinguish the notion of a "dependency culture" (Lindsay and Houston, 2011:704) as well as distinctive behavioural patterns associated with work avoidance, which they insist are indignantly omnipotent in British society (Houston and Lindsay, 2010). What is important to garner from this, is that this signifies something qualitatively different occurring. The idea of a dependency culture is nothing new, but the underpinning socio-economic factors for tackling this issue have been markedly different for the Conservative-Liberal Coalition in a period of economic contraction compared with the earlier period of economic prosperity available to their Labour predecessors. Is this then a sign of a new era? There has clearly been a qualitative change albeit along the lines of renewing existing policy processes of welfare-to-work and making work pay, and this presents a gap in the knowledge base which needs to be investigated in depth.

Furthermore, the Coalition Government appears to have acknowledged that the 'intelligent solutions' they have been enforcing are not to counteract an entirely new phenomenon, but are instead to prevent the further deepening of a cultural rhetoric which has become entrenched within both the social and economic nodes of the daily lives of UK citizens. Henceforth, cutting benefits would act as the incentive to push people currently unemployed back into the system from which they had previously become excluded, as well as retaining those already there through a "work first" welfare policy mantra (McCollum, 2012:225). In a similar fashion, the government has also begun to cut back tax credits, and in particular have begun to implicate the "squeezed middle" of UK society (Pearce, 2011:4). However, as can be seen in Figure 7, contrary to government suggestions that working tax credits have been over-generous to such groups, juxtaposed with the spiralling cost of living, it has been contended that their welfare-to-work agenda is pushing more and more people into relative and even absolute poverty (Pearce, 2011; see also the JRF 'Monitoring Poverty and Social Exclusion Report, 2011').

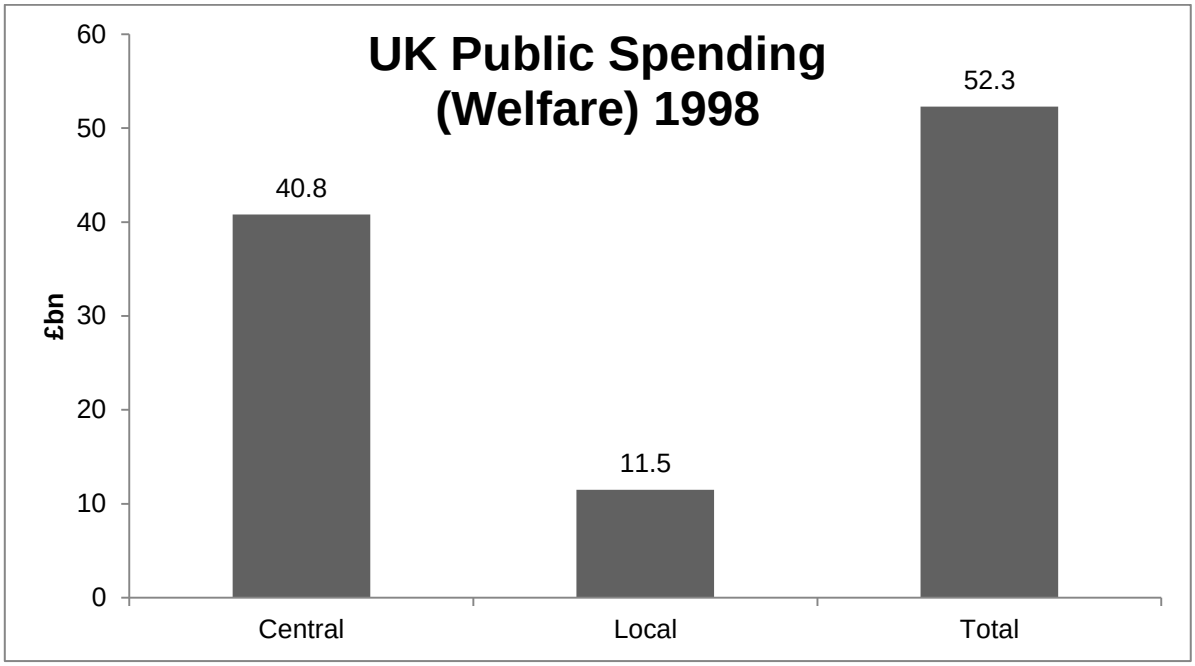
Chapter	Theme	Indicator	Change in last decade	Change in last 5 years
Low Income	Low income	Child poverty	Better	No change
		Pensioner poverty	Better	Better
		Working-age adults with children poverty rate	No change	Worse
		Working-age adults without children poverty rate	Worse	Worse
		Proportion of population in deep poverty (40% of median)	Worse	Worse
	Inequality	Income inequality 50:10	Worse	Worse
	Benefits and tax credits	Children needing tax credits to escape low income	Worse	Worse
		Number of people receiving out-of-work benefits	Worse	Worse
	Spending and debt	Material deprivation		Worse

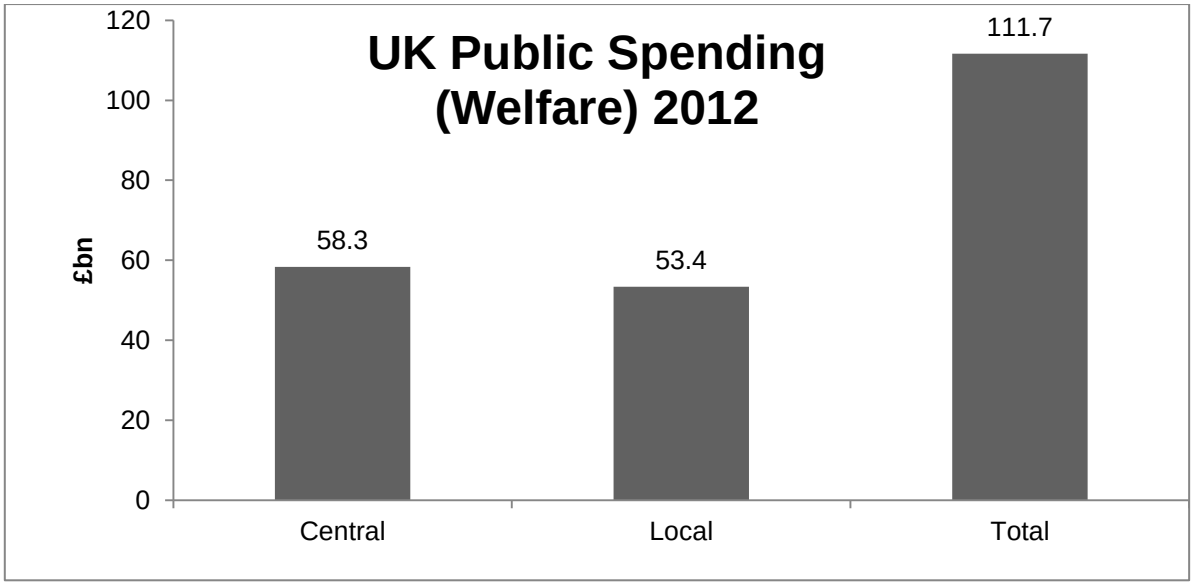
Figure 7: Change in poverty indicators over time in the UK up to 2010 (Source: Joseph Rowntree Foundation, 2011).

The government has maintained that their renewed workfarist vision to 'make work pay' is the optimal way forward for the UK in order to preserve its competitiveness and flexibility within the global economy, even if this means harming its social base as well as undergoing "a dramatic change in the relationship of the state with its citizens" in the short term (Grimshaw and Rubery, 2012:107). Whilst this could be portrayed as a significant break from political rhetoric of the past, it is more likely that it is simply a re-orientation of the status quo, although in a far more stringent and

relentless form. The sum implication of these processes has been that the latest recession has seen a return to the scenario of extreme measures of austerity, which has not just had dire connotations for those on the bottom rung of the socio-economic ladder (Taylor-Gooby, 2012a), but has also served to polarise the labour market further as people are pushed back towards the poverty threshold (Andre et al., 2013).

With no end to the economic turmoil in sight, and with many states still treading the line of an obscure and precarious existence, the Coalition has argued, with significant support from classic neoliberal institutions such as the World Bank and IMF, that the sooner the debt and public expenditure is scaled back to more manageable levels the better (see Figure 8).





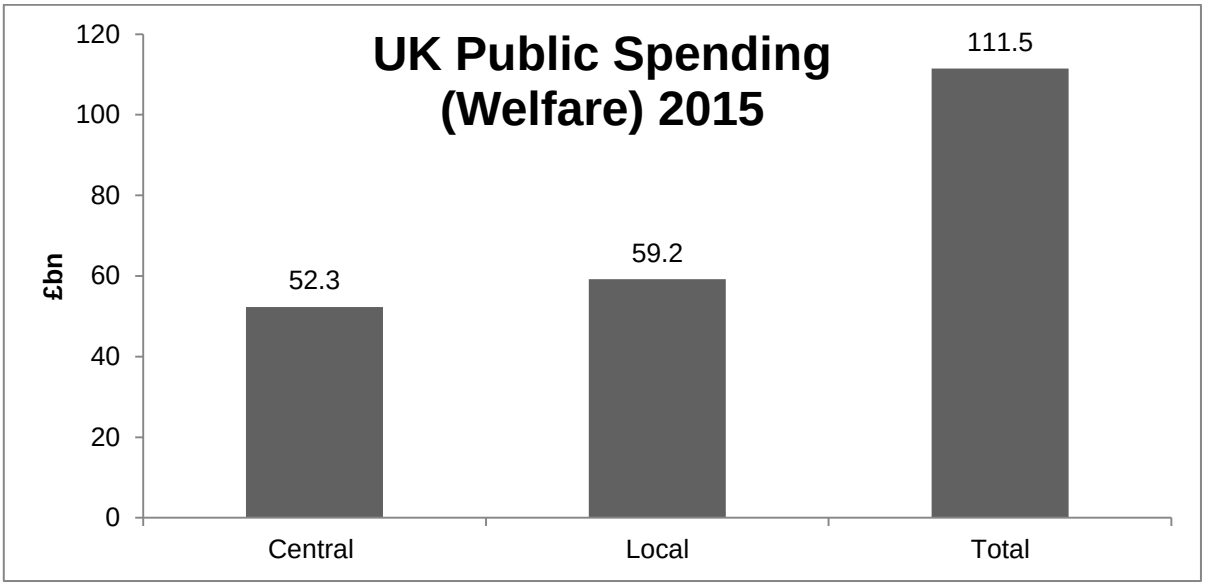


Figure 8: Changes to UK public welfare spending between 1998 and 2015 (Source: UK Public Spending, 2012d).

This of course lends itself to more radical forms of austerity-driven action by the government to sustain and even increase the pace of deficit reduction, along with growing levels of resistance and co-operation at the local scale in response to increasingly harsh conditions of austerity-driven retrenchment. Consequently, this idea has been repeatedly challenged by the then Labour Shadow Chancellor Ed Balls and others who vehemently oppose the austerity measures prescribed labelling them as being made “too fast and too deep and putting jobs and growth at risk” to be able to secure a successful economic recovery (Labour Party, 2012a:n.p). In essence, this once again opens up the potential for alternative forms of socio-

economic management, however a consistent break in the policy discourse from the long-standing neoliberal agenda seems a distant prospect. As Peck (2010:107) has noted:

> "the right and left hands of the neoliberal state may have an increasingly tight grip around the fraught regulatory problems of flex-labour and social marginality, but this should not be mistaken for an effective grasp."

This opens up the possibility for alternative strategies which are now necessary to mitigate the adverse social and economic effects of austerity and welfare-to-work (Trade Union Congress (TUC), 2011). Yet, when coupled with rising rates of unemployment – particularly among the young, women, ethnic minorities and other vulnerable groups - and stagnating economic recovery, it remains to be seen how far such a radical programme of welfare reforms can be rolled out in the UK (Lowndes and Pratchett, 2012), as well as how long such sacrifice lacking tangible rewards will be tolerated by its citizens. Many now argue that "the modern British Government…has lost sight of the need to promote the general welfare" (Taylor, 2010:29). Thus whilst the overall effects of the austerity measures implemented by the 2010-2015 Coalition Government are decidedly uncertain, it is clear that these new geographies of welfare which have begun to take shape in the UK and beyond (considering it will also have uneven geographies "the strategic role of cities in the contemporary remaking of political-economic space" (Brenner and Theodore, 2002:349)) will entail alterations to the socio-economic landscape of British society. This looks set to create a nascent breed of state enterprise, which is not entirely new, but which has taken an alternative approach to "new risks" posed to established forms of workfare rhetoric (Johnston et al., 2011:350).

At this pivotal time in the political and socio-economic reinvigoration of the UK state, it is clear that the Coalition Government has attempted to radically shift the state towards a situation involving minimal state intervention in both social and economic processes (Hills, 2011), a contrast from what had been constructed under successive Labour administrations. However, such a move can be problematised when considering just how these changes correlate to the processes and material effects which have gone before them. In this regard, it is necessary to understand whether the UK has experienced a break from the rhetoric of the political and socio-

economic past as a result of the 2008-9 financial crisis and the subsequent recession that followed. In effect, the crux of this argument surrounds the notion of whether or not the underlying neoliberal agenda which has been present in the UK for a number of decades, subtly or otherwise, remains (Johnston et al., 2011). Instead, is there now something completely new, a definitive alternative, a breakaway to a new political consensus which would therefore entail a volatile set of changes for the future?

Whilst some have debated vehemently that the 2008-9 crisis was a turning point for welfare geographies not just in the UK, but on a global scale, others have been more sceptical. There is little doubt that the recent past has "produced a sudden change in the economic policy of the UK" (Hodson and Mabbett, 2009:1041), and has thrown up a degree of volatility in the system which has inherently disrupted the status quo of neoliberal capitalist thought which was evident right up to the end of the last Labour Government under Gordon Brown. Gone are the days of generous government benefits being complemented by a strong and prosperous economic outlook, instead being replaced by what appears to be a nascent form of workfare which goes far beyond the relatively muted Labour initiatives to 'make work pay' and encourage people back into the employment locus (Clegg, 2010). However, it remains debatable as to whether this is really a new and untested form of capitalism, a move towards the next stage of the agenda (Taylor-Gooby, 2015), or so-called 'post-Neoliberalism' (Peck et al., 2009:95).

This view has been somewhat contested, with a number of academics indicating that the process of neoliberalisation which took place in the 1970's and 1980's has now become such a core aspect of our society that has far from been removed (Hills, 2011). Indeed, they instead assert that what is now being experienced by both the state and its citizens alike is a kind of contingent Neoliberalism; one which appears markedly different from everything which has preceded it, but that pertinently is emerging much the same except for its incorporation of several nuances which have come about as a direct result of the 2008-9 crisis, and subsequently attempts to seek out suitable solutions to it (King et al., 2012). In simple terms, the neoliberal capitalist state, and its association to market capitalism more widely, have merely adapted to the current socio-economic climate with distinct geographical contextual applications (Peck, 2011), with the prospect of "renewing prosperity through austerity" (Kitson et

al., 2011:293). If one is to take a closer look at the Coalition policy processes which have been implemented into their austerity rhetoric, then it is clear that with the primary focus having been on lessening the role of the state through spending cuts and satisfying global financial markets, the neoliberal agenda is alive and well. The state essentially remains subservient to the whims of the market and so continues to be manipulated accordingly, particularly concerning how it is being reconstructed at the local scale (Peck, 2011).

Thus, there are a number of arguments which can be made for and against the post-2008 era being marked by a qualitative shift in welfare policy. In terms of the arguments indicating that such a shift has occurred, the first opinion concerns the 2008-9 crisis as a major turning point both spatially and temporally, similar to those seen in 1973 and in the 1920s-30s (King et al., 2012). The next argument is for a 'new politics of austerity' (MacLeavy, 2011; Dellepiane and Hardiman, 2012) emerging from the policy rhetoric as a way of tackling the post-2008 impacts of the crisis. It has also been implied that a qualitative shift has taken place due to the new political landscape coming to the fore in the UK, with the presence of the first hung parliament since the Welfare State, and a Coalition Government whose mandate has been concerned with generating prosperity through austerity (Smith, 2010; Lowndes and Pratchett, 2012). This is expected to continue following the 2015 General Election, where all the major parties are committed to further austerity measures to some degree. In addition there has also been an academic element to the argument for a qualitative shift, in that the integrity of the neoliberal discourse in the wake of the financial crisis has been challenged, with suggestions of a phase of 'zombie Neoliberalism' (Peck, 2010) or even going as far as announcing the arrival of post-Neoliberalism (Peck et al., 2010). A final argument suggests that the situation now is different from what has come before it, because unlike in past crises, it has not only been the poorest and most vulnerable who have been adversely effected by welfare austerity, but also has increasingly impinged upon the middle classes and those in sustained full time employment (MacLeavy, 2011).

On the other hand, a number of arguments have been made against this idea of a qualitative shift post-2008. The first is that much of the policy rhetoric now in place surrounds welfare-to-work and making work pay, ideas which were present before the 2008-9 financial crisis, and which have simply been extended and tightened by

the Coalition Government since 2010 (Newman, 2011). The second point made is that the crisis was initially created by an over reliance on an economy buttressed by the financial services sector. Despite attempts by the Coalition Government to move away from this dependency towards an economy built more on flexible specialisation rather than a simple Fordist manufacturing model, the UK economy is still dominated by the financial services industry and the City of London (Sentance et al., 2012).

Furthermore, with the Welfare State now retrenched beyond recognition as a product of the Coalition's austerity-driven workfarism, it has been portrayed as more of a deepening of the grip of Neoliberalism upon the state and its proletariat citizenship (Taylor-Gooby, 2012a; Peck, 2013); it could be seen as more of a step back to what was experienced in the 1970's and 1980's rather than an altogether new entity to be challenged or embraced. Indeed, as Peck (2010:106) has noted, "Neoliberalism has demonstrated remarkable shape-shifting capacities." This is no more evident than with the relationship the UK state and its government now has with their citizens; there appears to be a trend of an unprecedented shift in the dimensions of the rights versus responsibilities rhetoric, primarily towards a strict and uncompromising emphasis on the responsibilities of citizens, and the remaining elements of the public sector "doing more with less" (Levine and Scorsone, 2011:212).

Due to the debatably stubborn myopia of the Coalition Government to restore parity with the global financial system, UK citizens, and specifically the middle classes and those languishing at the base of the socio-economic ladder have been forced to take the majority of the impact in terms of the cuts which have already been made as well as those yet to be implemented, as a result of the state's relentless pursuit of welfare-to-work and a minimalistic public sector (Taylor-Gooby, 2012a). And it is in cities where significant concentrations of such groups reside, and hence where this severe form of neoliberal workfare is now beginning to apply itself in potentially devastating fashion. Peck (2010:109) has thus implied that whilst Neoliberalism as we know it might well be fading, it is still very much a dominant concept but has now 'entered its zombie phase', and which could in fact come to be understood as a fourth way of socio-economic rhetoric. By this, he suggests that despite the tremendous upheaval which has been experienced not only globally but also at national and local scales over the past few years, the core philosophy of neoliberal capitalism inherently remains. It may have taken a renewed and remodelled form,

but the primacy of the market remains as the underlying discourse which dictates both social and economic policy processes implemented by the state. In addition, it remains questionable whether a realistic break in policy discourse is achievable, at least in the short term, and with it, if it is truly possible for alternative forms of policy discourse to be formulated (Brenner et al., 2010).

In spite of this, there are many who advocate the adoption of a post-neoliberal shift in discourse. Peck (2010) for instance, asks whether academics should now be thinking about neoliberal tendencies solely in the past tense. Others contend that the turmoil that resulted from the financial crisis and recession combined penetrated deep into the heart of political rhetoric, particularly of advanced western economies (Brenner et al., 2010). As a consequence, there has been an obvious and definitive step change in the policy rhetoric asserted, not just by the UK Government, but within and surrounding the entire global socio-economic system. They argue that the era of Neoliberalism as we had come to understand it has been thwarted forever, being replaced by a system more wary and frugal as a testament to the immense events which have been before. Henceforth, Peck et al. (2009) ask whether Neoliberalism could be entering a crisis which is inherently self-inflicted? The outcome, they surmise, is a nascent form of post-Neoliberalism (ibid) whereby financial actors are far more prudent and regulated, where balancing financial obligations has become paramount, and where the state is frequently attempting to rationalise its role as a guarantor for its citizens.

With regards to the UK, the Coalition Government has gone to great lengths to ensure that the deficit amassed following the crisis has been reduced as far as possible by the end of the parliamentary period in 2015, and to do this has been proactive in minimalising the state (Chung and Thewissen, 2011); pervasive welfare rights are most definitely a thing of the past in the UK, despite its welfare system remaining the envy of many others worldwide. Instead they are being replaced by a form of workfare which advocates the importance of making work pay, and citizen responsibility to help themselves to fill the void left by an ailing public sector; what Crouch (2009) has described as 'privatised Keynesianism' (cited in Tomlinson, 2011:656). Yet even as the Coalition has sought to rationalise the state and crucially the public sector, the Welfare State is most definitely a stalwart of British society owing to its socio-political and economic ties to the cultural expectations of citizens,

particularly for those who are vulnerable to change such as the young and elderly. Vis et al. (2011:350) convey that, “the Welfare State is simply not that easily toppled.” This can be observed in Figure 9 and Figure 10, which show how welfare spending remains relatively stable despite Coalition Government attempts to reduce it as far as possible since 2010. However, as Hobsbawm (2011) has pointed out, the specific facets of these new geographies of austerity mean that future contingent realities which will be experienced are decidedly uncertain.

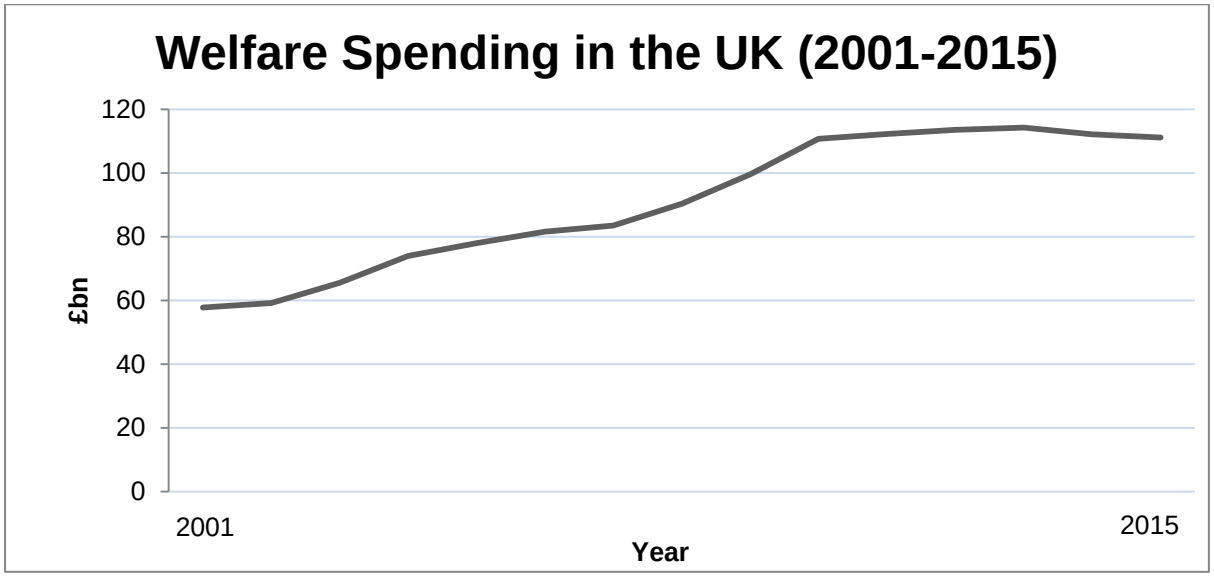


Figure 9: Welfare spending in the UK since 2001 (Source: Economics Help, 2013a).

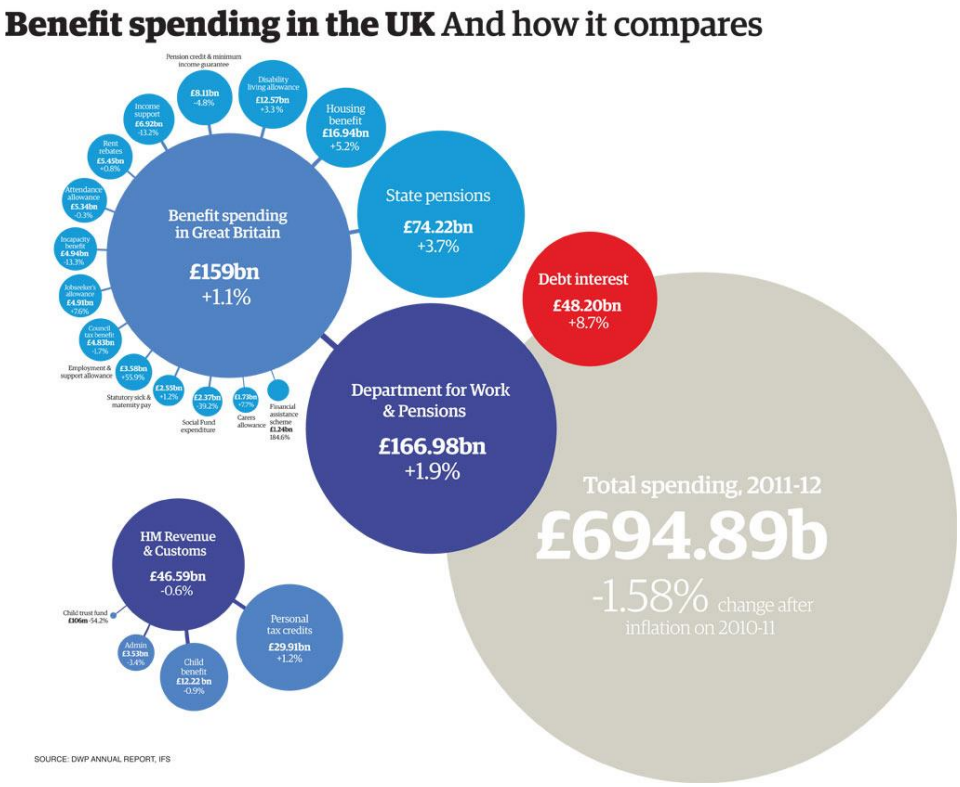


Figure 10: Breakdown of welfare spending in the UK for 2011-12 (Source: Guardian, 2013a).

Whilst this chapter has elucidated on the emergence of the Welfare State and the challenges, difficulties and transformations it has undergone since its inception, it should be remembered that it is easy in hindsight to take an analytical approach to recognising and describing significant shifts in policy and its impacts. In this way, it is much more difficult to achieve this at the time such a potential shift is occurring, and so the need for detailed research in the period that follows is imperative to improving our understanding of the processes taking place and the significance they have had on the actions and responses of those experiencing the fallout on a day to day basis.

Chapter 3: (Re)new(ed) Geographies of Welfare – A Scalar Perspective of Provision in the Era of Austerity

Chapter 2 identified the need to investigate the nature of the changes taking place with regards to welfare provision under the auspices of a new austerity politics. This chapter is concerned with how such changes are being played out at different scales. It is important to decipher whether or not the traits of this supposed qualitative shift are apparent, not just nationally, but also locally, regionally and internationally. For this reason the chapter will be structured by focusing on changes to the welfare agenda at the international (Section 3.1), national (3.2), regional (3.3) and local (3.4) scales. Again the aim of this chapter is to identify whether the changes taking place at different scales within the global economy are part of a definitive qualitative shift, or a consolidation of the neoliberal regime which has been in place since the 1970's.

3.1 Austerity and shifting geographies of welfare provision on the international stage

Clearly the financial crisis of 2008-9 and the prolonged economic downturn which followed have had immense social, economic and political implications worldwide. It is not just individual national economies or sectors which have faltered, but the entire global economy has suffered as a result of the events of the past few years. However, far from being a geographically homogenous crisis, certain parts of the international community have been more adversely affected than others (Brenner et al., 2010) primarily due to their linkages into the global financial system and failing consumer demand (Altvater, 2009). In addition to this, as states have experienced economic problems such as rising debt and unemployment, most have been faced with increased social inequality.

Welfare provision has been a major issue whereby in most cases governments look to cut public spending and implement relatively severe austerity measures in order to try and achieve fiscal rationality (Groot et al., 2011; Baggesen Klitgaard and

Elmelund-Praestekaer, 2013). The result has been a distinct rise in inequality and poverty for vulnerable sections of society, with many states now experiencing a shift away from socially democratic politics towards more hardened free-market capitalist tendencies than has been the case in recent years. Whilst the crisis itself has created a “perfect storm” of conditions which have spelled inherent problems for public and private enterprise (Kitson et al., 2011:289) - as rising commodity prices and rising public and private sector debt - it has been through the ensuing economic slump that the most nefarious implications for both states and their citizens around the world have been realised. Exposure was particularly heightened in those locations most inherently intertwined in the global financial system, namely the USA and the EU. For the first time in its history, the US Government allowed one of its major multinational banks, Lehman Brothers, to be liquidated at the height of the crisis. Thereafter the US authorities did save certain institutions deemed to be of “‘systemic’ importance” (Callinicos, 2012:66), although the sacrifice of Lehman Brothers set in motion a chain of events which would strike panic into investors worldwide (Swedberg, 2010, in Lounsbury and Hirsch).

In addition, throughout the recessionary period and beyond, the US has advocated strong and positive fiscal stimulation packages, becoming acutely aware that their ailing economy was not in a condition to be robust enough by itself to ward off the negative effects of a global recession (US Government, 2012a). Whilst at first the government appeared to be pumping money into the economy to no avail, it has since been portrayed as a sensible move as the US economy has once again begun to grow and recover (US Federal Reserve, 2013). Furthermore, whilst the US system is essentially one of private enterprise and minimal state interference in the everyday lives of the majority of its citizens, the condition of welfare provision has somewhat failed to keep pace with recovery of the economy. In fact, most US citizens are overwhelmingly expected to provide the basic necessities of welfare for themselves, either through direct application, or through payment by private means, such as with healthcare. Coupled to this has been the sustained downturn in economic conditions, not just in the USA, but worldwide, causing many US citizens to become un(der)employed in recent years. Unemployment peaked in October 2009 at 10% (US Government, 2012b), and this has hit living standards and quality of life hard (Economic Policy Institute, 2012). This is especially so for the middle classes and the

US is in a very similar situation to a great many other advanced economies in this regard (Crotty, 2012).

Many of these individuals and families lost their jobs in the early weeks and months of 2009 as the US economy became heavily exposed to the crisis. However, aside from the most basic unemployment benefits and other forms of bottom line emergency support, the well-established welfare discourse has remained very much the same, although has become even stricter as the government has begun to strengthen welfare-to-work and conditionality within the system (ibid). The result has been that whilst for a long time most middle class people in society could afford the basic necessities, such as food, healthcare and mortgage payments, the loss of any meaningful employment coupled to the absolute inability to obtain any sort of replacement income left many in a dire situation. This was also the case for those in low paid work. As already noted, the dilemma has since started to improve; the fiscal stimulus measures rapidly implemented by the Obama administration have successively dragged the state back towards economic growth, if not in an immensely sluggish manner, and so are by no means free of the debilitating quandaries of the global economy (Krugman, 2012). However, they have made significant progress on the road to recovery compared to other states, and this has been echoed by a stabilising privatised welfare rhetoric. What is more, the role of the voluntary and third sectors should not be overlooked in this circumstance.

Of far greater concern at the current time are the plights of economies in Europe, and significantly the future trajectory of the Eurozone. Kitson et al. (2011:294) have noted that:

> “the breadth and depth of the recession has meant that the largest negative effects have been felt in the economically weaker regions of the European Union.”

These include Greece, Italy, Spain, Portugal and Ireland. In addition, because Europe is both heavily linked into the system of global capitalism, as well as exporting a vast amount of its produce internally to other EU countries as well as to the enormous economy in the USA, this economic region is one of the key locations where the full effects of the global economic downturn have been experienced. As a

consequence, this entails intricate and unique implications for the condition of welfare provision in each of the countries concerned.

Due to its linkages with both the USA and the wider global economy, the EU became rapidly exposed to the crisis conditions afforded by the 2008-9 financial crisis and the subsequent recession. In a similar way to the US, a number of European economies suffered extensive crashes in their property markets, which was rapidly followed by many large banks and even some states falling into serious financial difficulty. The extent of the problem became further pronounced when it became clear that even in countries not entirely exposed to such problems, these institutions found themselves drawn in to the fray as many of their larger banks had vast sums of capital invested in economies now seemingly doomed to failure.

In the UK several local authorities, including Kent, Norfolk and Wiltshire, had £1.05bn invested in Icelandic banks (Local Government Association (LGA), 2011). Whilst there was an initial consensus in some countries, such as the UK and Germany, that fiscal stimulus was immediately required to bolster their faltering economic fortunes, coupled with massive bailouts of their multinational banks (Chung and Thewissen, 2011), other smaller economies were unable to undertake such measures and so bore the full force of economic retrenchment, slipping into a deep recession. Whilst many stakeholders still agree these measures were necessary at the time, the subsequent processes of fiscal rationalisation and austerity which have arisen as a result continue to be vociferously contested. Greece was the first country to make it apparent that they were struggling to survive and meet with debt repayments. The outcome was a dramatic loss of confidence of lenders and financial markets around the world in the sustainability of the Greek economy, resulting in their national economy falling to the brink of collapse, only to be saved by the intervention of the IMF and European Central Bank. Today, with a new leader elected in on an anti-austerity mandate, Greece is seeking to renegotiate the very terms of its bailout.

Despite this, the implications of such a bail-out have been far from straight forward from the Greek perspective. The Greek Government has been held to a stringent set of terms and conditions for receipt of crucial financial aid, the primary component of which has been an all-encompassing austerity drive as part of a radical process of

structural readjustment (European Central Bank, 2010). From the perspective of state welfare, this has meant that virtually all public provision has been stripped back to the most marginal levels possible, leading to a large proportion of the Greek citizenry suffering immense hardship. This has been coupled to significant political instability such that the state has essentially become obsolete in many capacities except debt repayment. Whilst Greece is undoubtedly the worst case scenario, particularly in the more advanced economies of global capitalism, it is far from a unique case; in Europe alone Portugal, Ireland, Italy and Spain are also suffering immense financial constraints around the traditionally socially democratic EU (European Commission, 2015). Indeed the effects are so acute they have the potential to challenge the very viability of the union altogether (Rodrik, 2012). Thus as Laszlo Andor, EU Commissioner for Employment, Social Affairs and Inclusion noted:

> "the European recovery that we are experiencing is therefore very fragile and very uneven. We can call it fragile, because, for instance, we just saw the UK economy going back to contraction in the last quarter of 2010. And we have to call it uneven, since the relative dynamism of the core region is not automatically pulling out the peripheries out of the recession. Countries that came close to sovereign default in the recent period had no other choice but applying austerity and thus their recovery is delayed, and they still continue to lose jobs" (Andor, quoted in European Union, 2011:n.p).

Furthermore, the pattern of austerity measures implemented in such countries, particularly those in the EU, have been relatively similar when accounting for policies being tailored to suit the requirements of individual cases. In return for substantial financial aid, governments have conditionally slashed most if not all aspects of public sector expenditure. As Drahokoupil and Myant (2009:3) have conveyed:

> "the forms of recovery can be presented as different solutions to the problem of financing the persistent current account deficits."

In the most severe cases, even the most sacrosanct components of the public sector have been left to the mercy of fiscal rationalisation measures, with welfare provision often experiencing brutal cuts which inevitably have had a direct knock-on effect on the state, its citizens, and the relationship between them (Levine and Scorsone,

2011). For many, this is coupled to sustained high levels of unemployment, leaving them struggling to survive and experiencing immense hardships, falling living standards, and for some even a return to poverty. IMF Managing Director, Christine Lagarde, therefore suggests that policy must achieve a balance between spending and cuts to sustain global economic recovery:

> "Clearly, today's global economy needs higher and better growth. Getting there depends on choosing the right combination of policies. With the wrong choices, we risk losing a decade of growth, a generation of young people, and an opportunity to put the global economy on a secure footing" (Lagarde, quoted in IMF, 2012:n.p).

Policy has been driven towards accommodating the primacy of the free market in order to boost both the national and supranational economies of Europe. However, this has frequently been achieved at the expense of many precariously positioned people in these countries, and it has been middle class society as well as those poorer members of society who have had to bear the brunt of the changes. Inevitably, the wealthiest in society, have frequently appeared most insulated from the cutbacks, even though they were the ones initially hit. Whilst it is an inevitable consequence that we might expect the poorest members of society to suffer the greatest hardships in times of austerity, it is less familiar for the middle classes of society to be affected (Taylor, 2010). Despite this,

> "one can argue whether the responses to the crisis were well-designed in particular countries, but there seems to be broad consensus that rapid international action on a number of fronts was necessary to prevent a 1930s-like depression with unforeseen global economic consequences" (World Bank, 2014:n.p).

This is conspicuous due to many European states traditionally following a more socially democratic economic pathway compared to their American counterparts, and so frequently having well established systems for citizen support from the state. The current economic predicament has meant that many citizens have come to adopt this relationship, and somewhat dependency, as the norm, has been challenged. In short, more citizens have been left to deal with a greater burden of welfare provision as the state searches for ever more radical ways of restricting

expenditure and its long term commitment to rationalised public welfare provision (Newman, 2011).

Furthermore, this latest welfare requirement has had a number of distinct effects, with many policies being met with aggression and significant resistance as the more reprehensible aspects of neoliberal workfare come to the fore. Again this can be viewed in countries such as Spain and Greece, which have for many years enjoyed strong economic growth, and which have been complemented by substantial gains in social spending and henceforth the living standards and quality of life of their citizens. It is no wonder that such seemingly radical austerity policies are being met with substantial hostility and resistance (Ladi and Tsarouhas, 2014).

Another concern internationally is that even though certain countries have not been adversely affected by the global economic slump to the same extent as others, their interconnectedness and their exposure to the “contagion” of the crisis has seen them adopt similar, yet less stringent austerity measures, but which still convey significant impingements upon the Welfare State (Tomlinson, 2011:655). A good example of this has been the UK. Whilst the UK has not suffered anywhere the extent of hardships seen in other European countries, its precarious exposure to the global economy has led the Coalition Government to implement a swathe of policy rhetoric aimed at promoting austerity. This has denoted a concerted attempt to ward off the negative connotations of the global economic downturn (Smith, 2010). This case is extremely pertinent given the distinctive scalar and temporal effects which have arisen in the UK due to the role of London and the wider South East region in both the global economy as well as their overwhelming economic and social effects on the UK itself.

In more recent years, the outlook is generally improving for advanced economies around the world, however growth is starting to slow down in oil-exporting countries with falling market prices since mid-2014. However, for the most part, lower oil prices have supported the global economic recovery. The Chinese economy has also begun to slow down. Despite the economic recovery, there is still a great deal of apprehension and uncertainty over whether another recession is on the horizon. Growth has also been supported by low interest rates, however care must be

paramount, because raising them at the wrong time could have disastrous consequences for the global economy.

Thus whilst many states were left to deal with spiralling debts and bloated public sectors, many have now stabilised and are well on the road to recovery back to pre-crisis levels of employment and GDP in an increasingly strong, yet fragile, global economy. However, there is still a great deal of uncertainty surrounding the Eurozone and in particular the fate of Greece. Where many of the other states in the EU which suffered extensively from the fallout of the financial crisis, such as Italy, Portugal, Ireland, and to an extent, the UK, have all taken action to avert economic collapse, Greece has continued on its perilous trajectory towards socio-economic ruin (European Commission, 2015). Having been continually bailed out by the EU, IMF and World Bank since 2009, and having implemented extremely severe austerity measures in return, the Greek economy has slipped ever closer to a point of no return. Furthermore, the election of a new anti-austerity government in January 2015 has created additional tensions as the Greek Government attempt to have a large proportion of their debt written off at the same time as relenting on prescribed austerity measures, and overseeing record high levels of unemployment.

The outcome is that Greece is now back in recession and is worryingly close to defaulting on its €240 billion bail-out (EU, 2012), €65 billion of which has been provided by Europe's largest economy, Germany, and there is a chance that it will have to leave the Eurozone altogether (Spiegel, 2015). This raises important questions about the future structure and viability of the Eurozone, and the lessons which have been learned for the economic security of the region and its constituent states.

Aside from the EU and the Eurozone, the UK is still in a precarious economic position 6 years on from the financial crisis. Whilst the recovery in the UK has been relatively strong in the last few years (the strongest of any country in the EU and the strongest in the G7 for 2014) (IFS, 2015c), growth is only projected to be 2.5% in 2015 (Bank of England, 2015a), and is showing clear signs of slowing down. Indeed, despite its problems, growth in the Eurozone was higher than in the UK in the first quarter of 2015 (ONS, 2015). A defining feature of the UK economy at present, and one which has concerned a significant number of commentators, is the distinctive

underlying weakness in the UK economy. It is true that there are record numbers of people in work, but this trend is largely down to the growth in self-employment and low paid, zero hours contract work. This is reflected in the recovery of household disposable income, which since 2009 has grown only by 1.4%, a figure much lower than the period following any of the recessions of the 1970's, 80's or 90's, and paints a picture of continued high dependency on the Welfare State to prop up meagre household income (New Policy Institute, 2015). Concerns have also been raised about the persisting imbalances in the UK economy; the large balance of payments deficit, low corporate investment despite the Coalition Government's best efforts to encourage it, and high deficits in household spending compared with income. It is contended that these factors are the result of the Coalition Government cutting too far and too fast in the early part of their tenure, which has therefore eroded the foundation for building a sustainable recovery (New Policy Institute, ibid).

These issues inevitably raise a number of important questions of the research. The frailties being experienced by Greece and the wider Eurozone have the potential for serious knock on consequences for the UK economy through a reliance on exports to the region, and a subsequent impact on the growth of British business and the availability of work. There might also be corollaries for the ability of the government to tackle the deficit over the next parliament if the fears of economic slowdown become a reality. Clearly since the financial crisis of 2008-9 the UK Government mandate has been one of austerity and a smaller state through welfare-to-work policies, however its ability to reduce the budget deficit could be curtailed if the availability of work remains limited and dependency on state welfare remains high. In addition, the case of Greece is becoming increasingly pertinent in the discourse of anti-austerity, because the country appears to have reached a significant tipping point whereby austerity measures have failed to stabilise its failing economy and its citizens have suffered significant pain for absolutely no gains. In fact their situation has got progressively worse over time, with high unemployment and extremely limited state welfare provision. These issues immediately raise questions about the epistemological groundings of austerity as a solution to crisis conditions. Is austerity really the answer? Is welfare-to-work really the best course of action moving forward in the long term? Will the UK eventually go the same way as Greece in that

continued austerity may push citizens to a tipping point whereby they are no longer willing to accept a government whose policies are based on an austerity mandate?

The situations being observed at present in both the UK and the wider Eurozone also raises questions about a continued agenda to make work pay. Whilst nothing new, the Coalition Government has placed significant emphasis on this agenda throughout their tenure. Whilst levels of employment in the UK are increasing, the fact that this has predominantly been through low paid work which is either temporary or part time, as well as the increase in zero hours contract employment bring the idea that people are better off in work than on benefits into disrepute. Furthermore, the lack of well-paid, full time work coming to fruition is still a significant problem both for the government and its citizens, because dependency is being maintained through in-work benefits. In this way therefore a number of questions can be raised, such as is the lack of disposable income for citizens affecting economic growth in the UK and the ability of the government to tackle the budget deficit? Is austerity beginning to have a negative impact on growth? Does the fact that the benefits of making work pay are not as clear cut as the government has proposed mean that there could be negative connotations for welfare-to-work and the willingness of citizens to take poorly paid work over benefits and thereby lower their dependency on state welfare support? How will the lack of sustainable employment opportunities affect the government agenda for a smaller state? Will stuttering economic growth and low income of citizens mean the state has to start increasing welfare support once again? Or could it mean even more difficult conditions for citizens, employers and third sector organisations in trying to implement and respond to welfare-to-work if work does not pay in the short or long term?

3.2 Austerity and welfare provision in the UK

In the UK, austerity measures have been widely accepted by the advocates of neoliberal workfare as being necessary in order to restore economic stability within the global economy (Lowndes and Pratchett, 2012). However, this has often been at the expense of the taxpayers of individual states, and has been particularly heavily felt in the UK due to a tradition of “ontological security” (Giddens, 1990, cited in Raco, 2009:438). Ontological security has not only been institutionalised through the

Welfare State, but also due to the inherent linkages of the City of London and the wider South East region with the global capitalist system (Hodson and Mabbett, 2009). Nevertheless, research has shown the UK has been hit hard by the financial crisis. This is not only those precariously treading the poverty line, but also those previously determined as part of the middle classes have been feeling the bite of the cut backs, especially when such withdrawals are coupled with a marked increase in the level of unemployment. In relation to this, the Labour leader of the past 5 years, Ed Miliband, noted: “I don’t think people are going to trust … this government to help the squeezed middle” (Labour Party, 2012b:n.p).

The result of this growing fiscal ‘squeeze’ on middle income earners has been a marked reduction in the proportion of the UK population occupying this social class (MacLeavy, 2011). Perhaps more worryingly, this lapse back into poverty has seen a significant fall in the standard of living and quality of life for many of these people, and with no end to the austere socio-economic conditions in the UK immediately forthcoming, this situation looks set to get worse (Pearce, 2011). Subsequently then, it can be presupposed that the recession and the accompanying cuts to welfare provision as part of the wider reform process have led to a rapidly polarising social hierarchy and with it rising inequality (Dorling, 2012). The key point here then is that within a modern capitalist society inequality is somewhat inevitable (Taylor, 2010). However, how much of this inequality is acceptable and tolerable for UK citizens?

The Coalition Government has begun implementing a set of “socially constructed” policy theories (Peck and Theodore, 2010:169) or “‘fast-policy’ regimes” (Peck, 2011:773) which have imposed strict conditionality on minimalist state provision, along with a large emphasis on privatisation and the role of the individual and the family unit in making up for the gap left by the withdrawal of public sector enterprise. This is what Prime Minister Cameron has described as the ‘Big Society’ (British Political Speech, 2015c:n.p). It was supposed that the government would be able to rapidly reduce public spending, by not only reducing high cost aspects of welfare provision such as the benefits system, but also by making mass redundancies over their parliamentary term in office. The Office for Budget Responsibility (OBR) expects this to reach at least 700,000 by 2017 (OBR, 2011). However, several academics and politicians, including the Labour opposition leader Ed Miliband, have queried the government’s imperative to create a smaller and smarter state through a long-

established neoliberal policy agenda to “starve the beast” (Angelini, 2011:5). It is argued that without effective public provision, their vision for strong private growth and hence economic recovery will be in jeopardy (Murphy, 2011). The government’s pursuit of economic rationalisation has imposed heavily negative connotations on the citizens of the UK, with the insistence that short-term suffering is necessary for long term gains, however the integrity of this argument has been openly questioned, no more so than by Shadow Chancellor Ed Balls at the Labour Party Conference in Manchester in October 2012:

> “We warned two years ago that drastic spending cuts and early tax rises – too far, too fast – risked choking off the recovery and making a difficult situation worse. We warned that you either learn the lessons of history or you repeat the mistakes of history. Because this is the fundamental truth: if more people are on the dole, not paying taxes, you can’t get the deficit down. If businesses are going bust, not hiring new workers, you can’t get the deficit down. If the economy’s not growing, you can’t get the deficit down” (Ed Balls, 2012:n.p).

The Coalition Government introduced a number of key policies to help implement and embed the austerity rhetoric being advocated. The first is the new system of Universal Credit. This is a radical overhaul of the benefits system in the UK, where all current benefit claims are accumulated into a single, monthly benefit payment aimed at simplifying the system such that it is much easier for citizens to work out what they are entitled to, as well as clarifying much more clearly the advantages of being in work compared to benefits i.e. making work pay (DWP, 2010a).

Another major policy has been the introduction of the Work Programme. This is an initiative of the Coalition Government brought in to band all employment support services together with the aim of providing personalised support for helping people back towards the labour market. It involves subcontracting the process away from the role of the state to private agencies which provide employment and skills support on a payment-by-results basis (DWP, 2012). The aim is to move as many people as possible off long term sickness benefits and Jobseekers Allowance (JSA) into sustained, full time employment, and in so doing reduce the cost of welfare to the state.

Furthermore, there has been significant rhetoric around the Spare Room Subsidy, or Bedroom Tax. This is a new tax which has been imposed by the Coalition Government onto welfare recipients who live in a council house which is under-occupied. Under the new legislation, people are asked to either move into accommodation of a more suitable size, or pay a spare room subsidy in order to remain in their current property (DWP, 2013a). The aim of this policy is to free up housing availability for those who need it, as well as to make recipients more responsible for their own welfare, and in turn, encourage those hit with the Bedroom Tax to find work in order to afford to stay in their current residence.

A final key policy initiative has been the reforms to disability support, including Disability Living Allowance (DLA) and the implementation of Personal Independence Payments (PIP). PIP has been implemented as a benefit to replace DLA for those aged 16-64, and is paid to citizens based on how a disability affects their day to day living and not on a particular condition per se. Claimants are required to undergo a Work Capability Assessment (WCA) to determine whether they are entitled to disability benefits or whether they should be moved onto a work related benefit such as Employment Support Allowance (ESA) or Jobseekers Allowance. Claimants are regularly reassessed to ensure that they are being provided with the correct support that they need (DWP, 2015a).

So far, the policies put in place appear to be progressing as expected by many. Public debt has begun to be reduced, but with a further £16.7bn (7%) in benefit cuts expected for 2015-16 (see Figure 11), the majority of UK citizens in receipt of welfare are set to suffer continually worse socio-economic conditions (IFS, 2015a; see also 'The £10bn question: where could the Chancellor find welfare cuts?' (IFS, 2012a)).

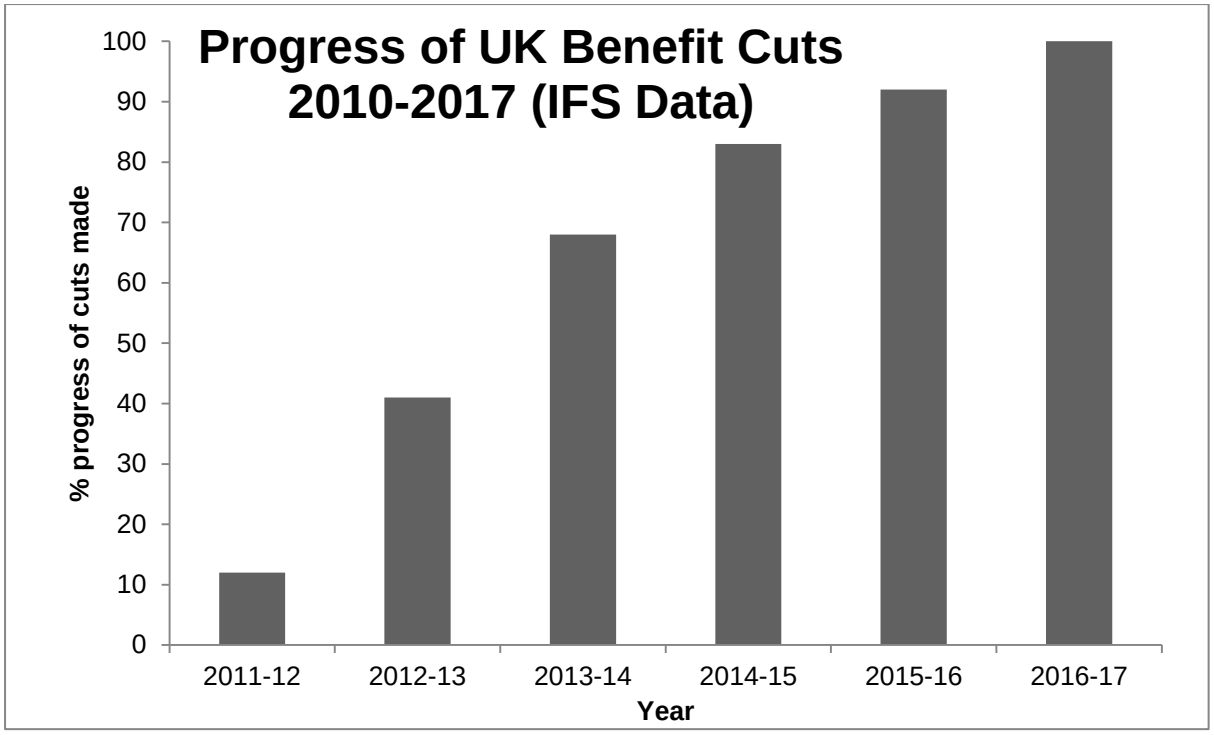


Figure 11: Projected progress of UK benefit cuts from 2010-2017 (Source: Full Fact, 2012).

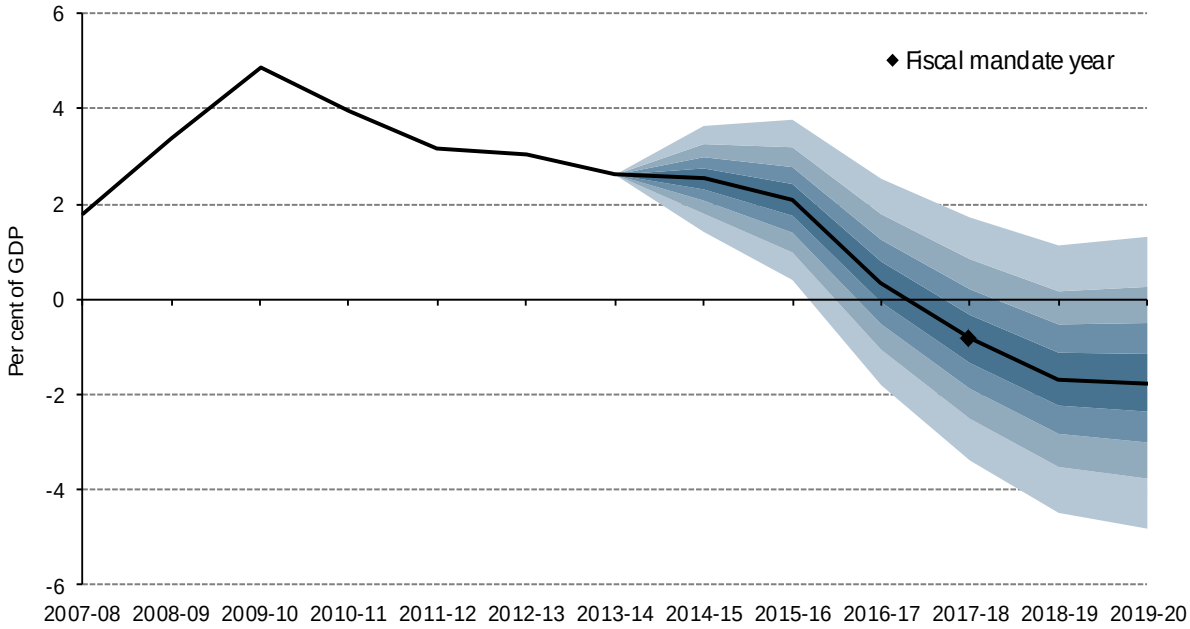


Figure 12: Government budget deficit reduction projections to 2020 (Source: Office for Budget Responsibility (OBR), 2015).

This has especially been the case with the middle and lower classes, many of whom are being forced back towards the poverty threshold which they managed to

overcome under the auspices of a period of relative economic prosperity under New Labour and their extensive welfare spending programmes since 1997 (Piachaud, 2012).

Whilst Chancellor George Osborne in his Emergency Budget speech in June 2010 promised that although many would suffer significant hardships in the short term as part of a responsible plan for economic restructuring and deficit reduction, in the long run they would benefit from a stronger, more flexible and most importantly highly competitive UK economy providing benefits for all (HM Treasury, 2010). Despite these promises, five years later the socio-economic outlook for many UK citizens has become decidedly worse, and certainly looks set to deteriorate even further in the coming months and years, particularly in those regions least insulated from the effects of the policies being put in place. Opponents have become increasingly vocal in denouncing the policies of the Coalition Government for just this reason; the economist Paul Krugman (2012) argues that as long as such policies are so doggedly sustained, the UK economic recovery will be harmed more substantially over time. This has become even more pertinent given the Chancellor's statement in 2012 that the deficit had barely been touched to that point in the parliament for a variety of reasons, and therefore the deficit reduction forecast has been revised back beyond the 2015 General Election to 2018-19 (OBR, 2015). This can be seen in Figure 12.

Such an oversight is likely to have serious consequences for those lower down the social hierarchy in UK society, not least through extending and deepening the reach of social issues bound to neoliberalised austerity. Henceforth, this is subsequently likely to create conditions fostering increased levels of resistance and indignation to government policies, as well as requiring new forms of co-operation and collaboration to overcome impending socio-economic quandaries (Shaw, 2012). This is especially the case in those regions containing a high proportion of vulnerable people, which for a long period have relied on the wide base of public welfare provision made available to them (Ross, 2009).

In light of this, many in society are quickly beginning to question the Coalition's strategy. The economist Joseph Stiglitz (2012, cited in The Telegraph, 2012a) contends that whilst cutting the deficit is inherently necessary, the meagre gains

being witnessed are simply not worth the pain and suffering many members of society are now being put through to achieve them. Instead, many academics are now calling for a complete rethink of the policy processes and strategies being undertaken, which focus more on cutting the debt in a sustainable manner, simultaneously controlling levels of debt at a manageable level whilst still providing the necessary aspects of welfare for citizens who desperately require it in times of austerity (Krugman, 2012). This is particularly the case for many young people and women (MacLeavy, 2011) as well as other vulnerable and minority groups, who are frequently the members of society who occupy the precarious forms of employment most at risk from these policy agendas (Harkness and Evans, 2011). In fact as can be seen in Figure 13 and Figure 14, data shows that the UK is one of the worst examples of the youth unemployment problem in the Organisation for Economic Co-operation and Development (OECD).

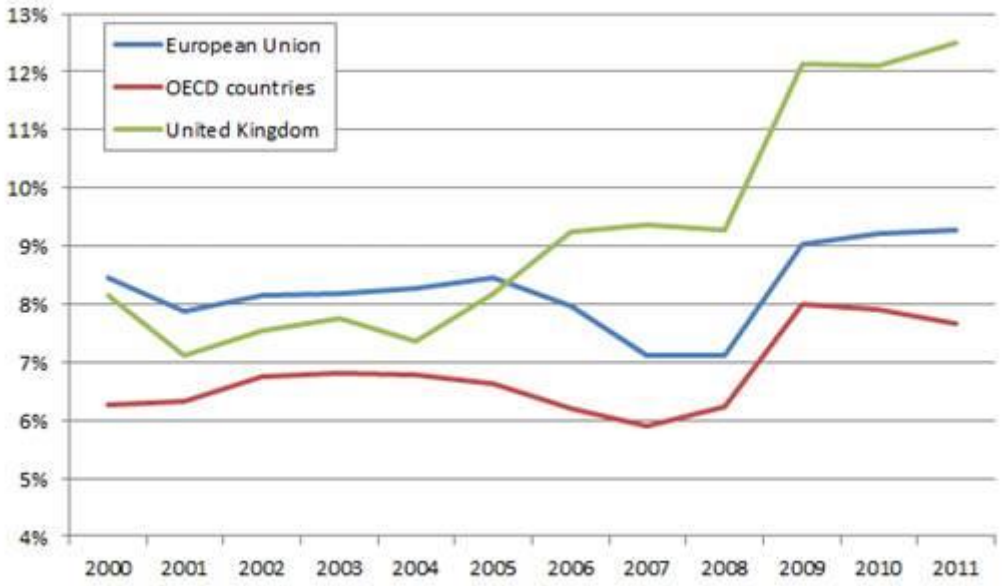


Figure 13: Rate of youth unemployment in the UK compared with the EU and other OECD countries (Source: The Work Foundation, 2013).

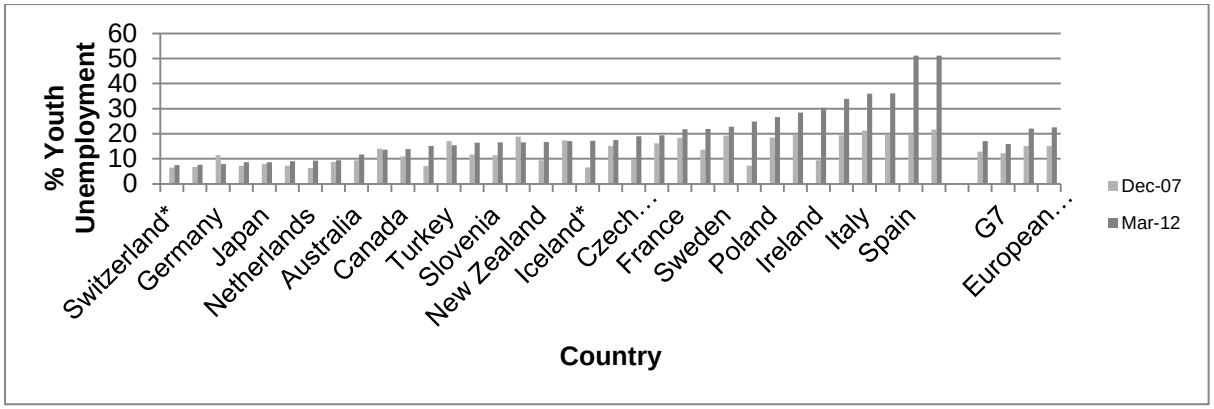


Figure 14: Youth unemployment in the OECD 2007-2012 (Source: Organisation for Economic Co-operation and Development (OECD), 2012).

Standing (2011:35) even goes as far as to assert that "workfare is the wrong policy response to the insecurities and inequalities of a flexible market economy." If this is the case then a key goal for future research is to critically evaluate the merits of a truly workfare-oriented system which we seem to be heading towards, especially giving consideration to the Coalition's renewed welfare-to-work agenda which has appeared at the fore of their economic policy discourse. Furthermore, the Coalition prerogative for "creating resilience through generalised private-sector dynamism" (Raco and Street, 2011:14) has been weak, tepid and spatially uneven to say the least.

For many this is not at all surprising given the policy agenda that the Coalition Government has continually ratified. As Peck et al. (2009:102) note, "the crisis managers seem effectively to be flying blind." Thus the planned roll-back of core public sector initiatives coupled to the advocacy of neoliberal workfare does not automatically equate to positive returns from private capitalism (Institute for Public Policy Research (IPPR) North, 2011; Taylor-Gooby, 2012a). The issue of inequality once again has come to the fore. Figure 15 and Figure 16 annunciate that certain areas of the UK, particularly London and the South East, have remained relatively insulated from the public sector cuts so far. In addition this region contains fewer susceptible citizens when compared with the northern areas of England, Scotland and Wales.

Rank	City	Median IMD 2010 Score
1	Aldershot	7.4
2	Reading	8.1
3	York	9.5
4	Milton Keynes	10.9
5	Crawley	11.9
6	Swindon	12.1
7	Warrington	12.1
8	Southend	13.6
9	Norwich	13.9
10	Cambridge	14.3
11	Bristol	15
12	Worthing	15.9
13	Portsmouth	16.3
14	Preston	16.5
15	Bournemouth	16.5
16	Gloucester	17.5
17	Southampton	18.4
18	Birkenhead	18.6
19	Oxford	18.6
20	Northampton	18.8
21	Chatham	19.1
22	Blackpool	20.3
23	Leeds	20.6
24	Nottingham	20.7
25	Ipswich	20.9
26	Derby	21
27	Telford	21.1
28	Brighton	21.3

Rank	City	Median IMD 2010 Score
29	London	21.4
30	Leicester	21.9
31	Plymouth	22
32	Huddersfield	22.6
33	Wigan	22.8
34	Wakefield	22.8
35	Sheffield	23.4
36	Luton	23.5
37	Coventry	23.8
38	Grimsby	24.2
39	Manchester	24.5
40	Middlesbrough	24.9
41	Peterborough	25
42	Mansfield	25.5
43	Newcastle	25.7
44	Barnsley	26
45	Stoke	27.2
46	Doncaster	27.3
47	Sunderland	28
48	Bradford	28.6
49	Bolton	28.6
50	Burnley	29.8
51	Rochdale	31
52	Birmingham	31.5
53	Hastings	31.9
54	Blackburn	34.8
55	Hull	36.5
56	Liverpool	39.1

Figure 15: Index of Multiple Deprivation 2010 for England (Source: Centre for Cities, 2011a).

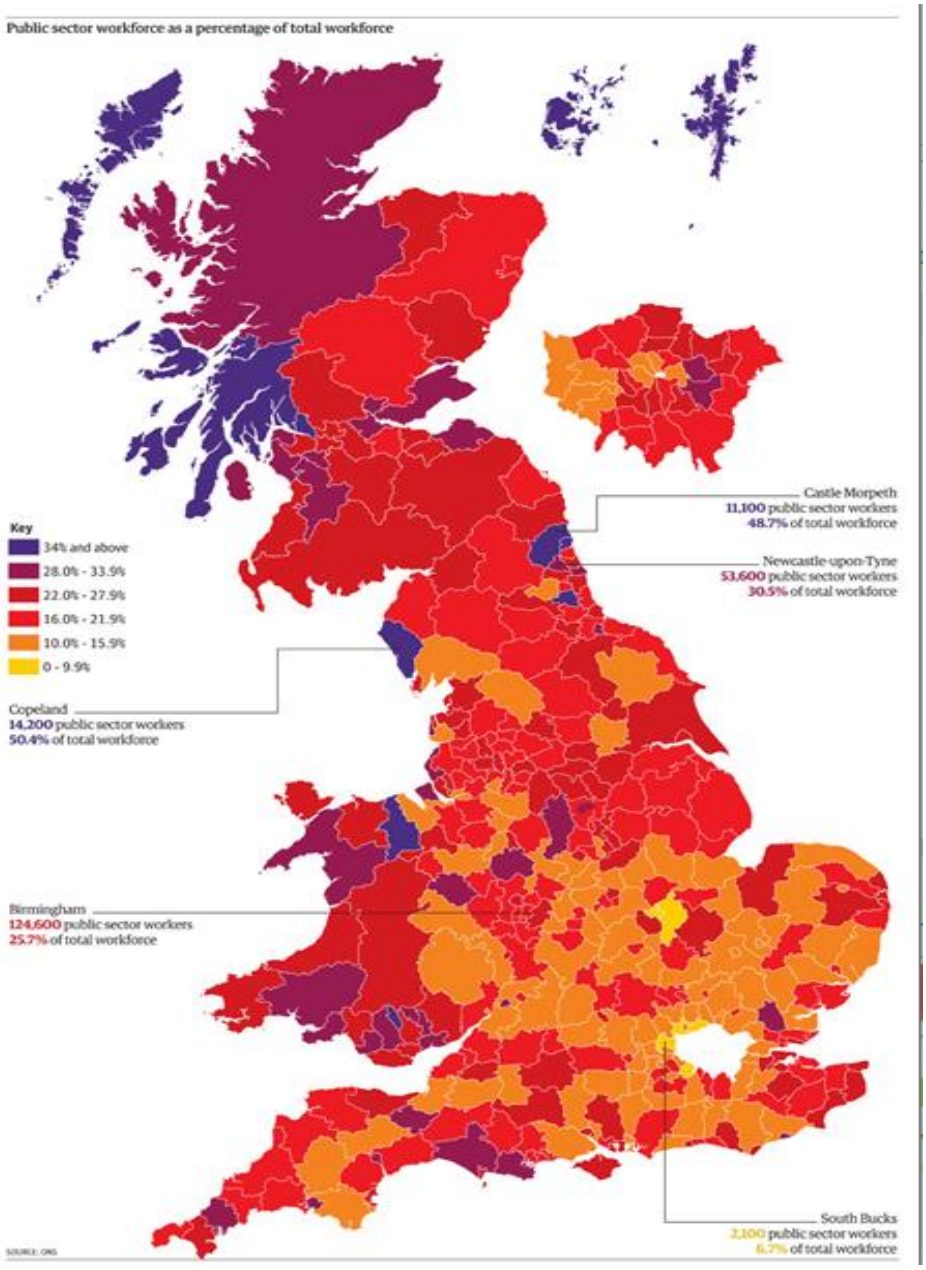


Figure 16: Differences in reliance on public sector employment by constituency in 2010 (Source: Guardian, 2010).

This was noted at the time by Alexandra Jones, Chief Executive of the Centre for Cities, who states how:

> "during 2011, the UK cities most dependent on the public sector, and which have seen slower economic growth over the last decade, will find it more difficult to rebalance towards the private sector" (quoted in Centre for Cities, 2011b:n.p).

Indeed, the government push to make people take any job at any wage has become self-defeating in that many lack the opportunity to upgrade their skill set and so will inevitably become stuck in a cycle of low end employment for much of their working lives (McCollum, 2012). There are also potentially synonymous connotations for youth employment, especially for those who lack essential skills and educational attainment (Allen and Ainley, 2012). This leads to the creation of areas exhibiting high levels of poverty and isolation, the result being that "some people…suffer disproportionately more than others" (Kitson et al., 2011:294). This has been steadily accompanied by a growing amount of resistance and contestation to the policies implemented by the Coalition, which are likely to introduce even greater impingements onto the citizenry of the UK (Shaw, 2012).

Clearly then, the geographical inequality which seems to be coming to fruition as a result of the Coalition's renewed welfare-to-work agenda has had a profound effect on the reconstitution of state welfare provision (Wright, 2012), particularly relating to aspects of employment and poverty, which can be seen in Figure 15 and Figure 16. Of even greater concern, was that unemployment rose sharply to 2.68 million (8.4%) by November 2011, the highest number of unemployed people in the UK since 1995, and including 729,000 unemployed young people (20.7%), which is the highest it has ever been (ONS, 2012a). This was the result of continued economic contraction and stagnation in the 3 years after the crisis. This in turn led to a growing number of people seeking benefits and job search assistance in order to rapidly re-enter the labour market. Furthermore, government policy now incorporates an underlying 'carrot and stick' agenda to return people to the labour market through their Work Programme (Vis et al., 2011). This includes incentives such as working tax credits (even though this provision diminished from 2011 as an additional form of spending cut), but more pertinently advocates the utilisation of sanctions such as removal of benefits for non-compliance, unemployment benefits provided at below the rate of minimum wage, and stricter assessment criteria for attainment of disability and long term sick payments amongst others (Scruggs et al., 2011). Furthermore, the encouragement to take any job at any wage results in many low skilled earners finding that the benefits of being in regular work are minimal at best, if existent at all, once the influence of welfare withdrawal is taken into account. In essence, some

may actually become worse off when in work compared to being unemployed exactly for this reason (Brewer et al., 2012).

Another point to consider is that because the economy is still in a precarious situation, many low skilled workers found it difficult to hold down a long term job, and particularly difficult when trying to find a job with good prospects for the future. In this regard, they can become isolated in a vicious "'low, no pay' cycle of moving from unemployment into low-paid work and back again" (Newman, 2011:96). This scenario has been particularly exacerbated by public sector job losses, which has had negative connotations in those cities where public sector employment has played an extensive role in maintaining welfare provision at a relatively high level (Brenner and Theodore, 2002; IPPR North, 2010). Because of this, many of the jobless may subsequently choose not to search for meaningful employment because in the long run the implications of losing out on benefit payments may in fact leave them worse off through attempting to enter the jobs market (Newman, 2011). It is therefore unsurprising that areas stripped of their established public sector economic base appear to be the worst off as a result of the government's austerity measures, and subsequently are the locations where unemployment remains stubbornly high and where those with limited employability become most exposed. As Goulden (2010:1) conveys, "entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed."

Thus it can be contended that the recession has led to what can be described as an ideological shift by politicians in the UK (Fuller and Geddes, 2008), with an inherent drive towards validating their apparently post-neoliberal and progressively harsher forms of workfare, and as such impressing upon the population the need to take greater responsibility for their own welfare requirements (Trudeau and Cope, 2003). The implications of such policies will be vastly contingent and widespread, taking on different scalar arrangements and having different meanings and effects for different people in different places all over the UK, but especially so in the North of England (IPPR North, 2014). However, the nature of this socio-political shift as an ideological break from the past remains problematic, with the situation being far from clear-cut as to whether the established neoliberal traits of the UK state have actually been relinquished (Peck, 2010).

Set against a background of the rising costs of everyday living coupled with shrinking or stagnated incomes (Davis et al., 2014), the future for many citizens at least in the near-term sense looks increasingly bleak, and more heavily regulated welfare provision will serve only to trap many in a desperate cycle of poverty and survival tactics for years to come. Indeed, Patrick (2012:5) has noted that:

> "simplistic and unsustainable binary distinctions between 'work' and 'dependency' only serve to further exclude and demoralise those already on the margins of social exclusions."

Furthermore, the thought that citizens will voluntarily take up the strain, and moreover the expense, of this "institutional isomorphism" (Peck, 2011:789) of welfare provision due to the general unwillingness of the private sector and the purported incapacity of the state to do so themselves is very much a misplaced conception. It is far more likely that in times of austerity, individuals and families will simply do without rather than accept additional unnecessary strain on their time and finances, which will subsequently entail a direct need to replace such provision by state enterprises over time through new private forms of co-operation and altruism within communities and across a variety of heterogeneous spaces (Hills, 2011).

3.3 The plight of welfare provision and austerity politics - the case of North West England

The 2008-9 financial crisis and the ensuing economic downturn had tumultuous implications upon society and at the regional level in particular. To this end a number of academics have begun to focus upon the specific effects of the crisis on economic structures and processes at a variety of different scales. The challenge is that whilst it is relatively easy to denote the changes taking place at the national scale, it is equally important to convey the implications of this process at other scales, such as the regional and local levels.

Figure 17 and Figure 18 convey that the increasing gap in wealth and inequality between those at the top and bottom of the socio-economic hierarchy has created a dichotomy between spaces of absolute deprivation - such as for many working class families in the North West of England - and those of relative wealth - predominantly

the South East of England. Although there are pockets of wealth dispersed within regions, the regional scale is important for revealing the geographical intensification of social and economic polarisation.

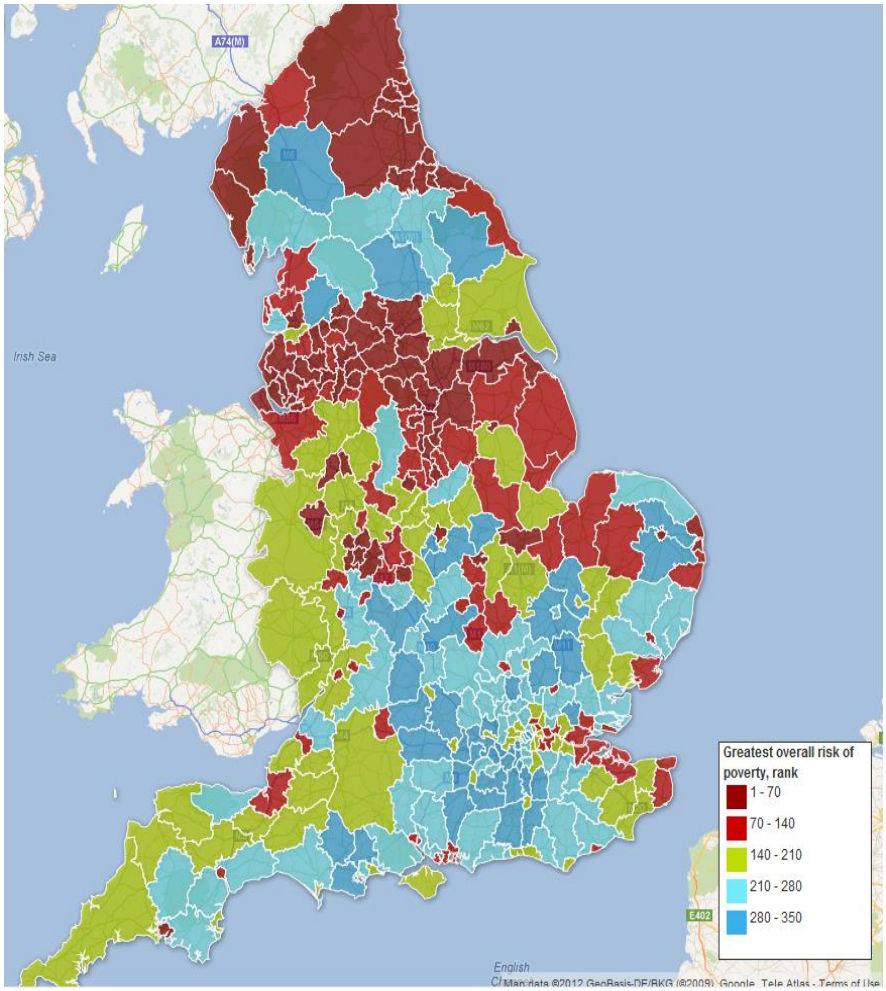


Figure 17: Overall risk of poverty in England by constituency in 2012 (Source: Guardian, 2012).

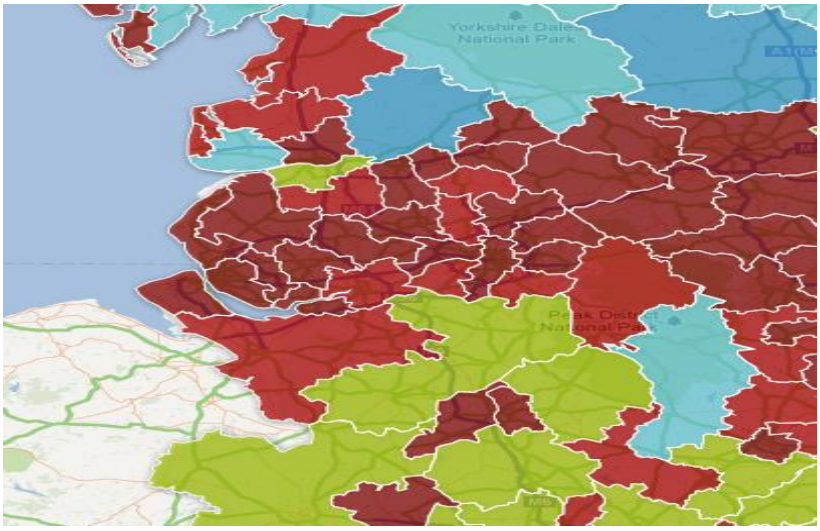


Figure 18: Differing risk of poverty between constituencies of North West England (Source: Guardian, 2012).

Local Authority	Greatest Overall Risk
Middlesbrough	1
Kingston upon Hull	2
Knowsley	3
Hartlepool	4
Liverpool	5
Nottingham	6
Manchester	7
Stoke on Trent	8
South Tyneside	9
Blackburn with Darwen	10
Leicester	11
Wolverhampton	12
Halton	13
Sunderland	14
Mansfield	15
Rochdale	16
Newcastle upon Tyne	17
St Helens	18
Birmingham	19
Burnley	20
Redcar and Cleveland	21
North East Lincolnshire	22
Gateshead	23
Stockton-on-Tees	24
Sandwell	25
Salford	26

Figure 19: Local authorities whose constituents are at greatest risk of poverty in England (Source: Guardian, 2012).

Research by the Centre for Cities (2011a) indicates that the recession has caused increased levels of deprivation, with a number of locations in the North West particularly implicated (see Figure 17). Similarly, Taylor-Gooby and Stoker (2011:8) rightly point out:

> "however the spending programme is analysed, the cuts in services for poorer groups substantially outweigh the impact of tax increases on higher-rate taxpayers."

In particular, attention has begun to be enshrined upon the changing nature of the relationship between the state and its citizens, and within this guise, specifically surmising the effects of changes to welfare provision on those more vulnerable members of society attributed to the discourse to 'make work pay' (Standing, 2011; Theodore and Peck, 2013). Specifically this refers to those who no longer have the guarantee of a minimum standard of living as the bargaining position of the average citizen has been radically altered, resulting in many now having to find new and novel methods of ensuring access to particular welfare facilities previously enacted by the state. This has principally been an issue in the North West where much of the welfare provision available had been propped up by an extensive public sector framework (see Figure 19).

Whilst the crisis impinged upon the functioning of virtually every local, regional, national and supranational institution entrenched within the globalised economic system (Peck et al., 2012), the implications unsurprisingly vary considerably across time and space. Indeed, the North West of England appears significantly compromised by a cornucopia of intrinsic effects resulting from economic stagnation and a move towards a politics of more extreme workfarism and austerity (Centre for Cities, 2011c). This region will serve as an appropriate surrogate for analysing the connotations of the Coalition's welfare-to-work agenda. Recent data indicates that of the fifty boroughs in England most at risk of their citizens being in poverty, fifteen reside in the North West, and many lie within inner city areas (Guardian, 2012) (see Figures 19, 20 and 21). And if one takes a closer inspection of the specifics, it also becomes clear that women, the young and families will be most vulnerable to such difficulties (MacLeavy, 2011). Furthermore, it is these distinct locations which are becoming significant as spaces of contestation and resilience in the face of a developing austerity agenda in the UK (Shaw, 2012). However, these changes may be challenged in terms of their unique structure; are they definitely a significant leap into the unknowns of austerity-driven workfarism, or are they more likely the reinvention and renewal of a socio-economic discourse which has underwritten UK society for a much longer period?

In his 2012 budget, Chancellor George Osborne indicated that an additional £10bn of spending cuts would be needed by 2016/17, which would be in addition to the initial £18bn worth of annual cuts outlined at the beginning of the parliament (IFS, 2012a). Henceforth, for those regions most intently implicated by the fiscal austerity, particularly those in the North and West (Beatty and Fothergill, 2013), the welfare scenario is often one of increasing poverty and deprivation (especially those low income households containing children) (IFS, 2012b), coupled to poor employment and education prospects as both direct and indirect results of spending retrenchment (JRF, 2012). Further to this, the current conditions appear only to serve to enforce societal inequality to an even greater extent than has been experienced in the UK over recent decades, as "some people in some places have suffered disproportionately more than others" (Kitson et al., 2011:294). This is a disparity which has long been an issue between regions of the North and South, as well as within the North West region itself (see Figures 19, 20 and 21). The outcome is seemingly a steep descent into a vicious cycle of demising living standards for the most vulnerable members of society, including the significant proportion of public sector workers in the North and West, who have become endemically reliant on the safety net which state welfare provision has traditionally provided (Taylor-Gooby, 2012a). Indeed Piachaud (2012:100) has suggested that "benefits are being cut to contribute to the overall reduction in public spending; overall those on lower incomes will lose." However, it remains debatable as to just how much of an impact the current catalogue of welfare reforms are having upon the overarching initiative to drive down public spending (which has continued to rise in real terms). With vast numbers of such citizens residing in the North West of England, where many are increasingly experiencing a multiplicity of hardships resulting from a combination of unemployment, poverty and targeted fiscal rationalisation policies (JRF, 2011), future research should be engaging to disentangle the processes and experiences being profligated in the differentiated everyday lives of these citizens.

Subsequently then, the forms and processes by which resistance to these changes to welfare provision are beginning to manifest themselves in British society and in cities in particular, must be identified and critically addressed, since these are pertinent locations to analyse these issues. In addition to this, it is important to articulate if there are any *new* pronunciations of resilience coming to fruition. The

answer looks increasingly likely to lie in the uneven nature of hardships and inequalities being faced by citizens at different scales within society (Taylor, 2010). Following on through this thematic, the forms of resistance which are likely to occur are necessarily dependent on the contingent experiences of different people in different places around the UK. Henceforth, the ways in which this is played out effectively determines the exact nature of the austerity-driven welfare-to-work experienced by members of society in alternate regional settings and subsequently therefore the nature of the resistance and contestation to such negative connotations. Thus the individualistic tendencies of the impacts of austerity are continually being played out in a multitude of forms (JRF, 2012), and this will only continue to intensify into the future as the aftershocks of the downturn persist.

For instance, a number of UK regions have suffered from socio-economic decline since the late 1970's, including the North West, the Midlands, the North East and South Wales (Martin, 2012), at the same time as the financial services sector in the South East and London has grown and strengthened exponentially, a trend which has been embedded even further since the 2008-9 crisis (Gardiner et al., 2013). Neoliberal policy rhetoric since the beginning of the Thatcher Government in 1979 has developed a market economy underpinned by a flexible labour market, which has left some parts of the UK blighted by the loss of core industrial and manufacturing sectors, and the un(der-)employment and social issues which have inevitably followed (Andre et al., 2013).

In the North West, the 1980s and 1990s saw widespread economic restructuring and underperformance. Since 2000, the situation has improved somewhat, but the region still fails to achieve its potential contribution to the wider UK economy (Centre for Local Economic Strategies, 2014). For much of the 21st Century, public sector employment has filled the gap left by the earlier period of declining employment, however with public sector employment accounting for 20.3% of all employment in the region in the first quarter of 2013 (ONS, 2013a), the cuts being made as part of government austerity measures are having a much more debilitating effect in the North West than elsewhere (Centre for Local Economic Strategies, 2014). Indeed, the unemployment rate in the North West is relatively high at 8.1%, compared with the national average of 7% and is 2% higher than when the financial crisis hit in 2008-9 (ONS, 2014b).

Clearly, the austerity measures being implemented, and particularly the cuts to welfare expenditure which thus far have been at the forefront of such fiscal policies in the UK and beyond, will be reciprocally felt nationwide, yet will most likely entail their most acute consequences at the local scale. However, such cuts exhibit a distinctly uneven spread of effects within different regions and localities within state space (Beatty and Fothergill, 2013). This has therefore resulted in the loss of a significant number of jobs in the public domain, leading to a return to steadily rising unemployment; the North West stands apart from other regions in this respect because of its apparent over-zealous reliance upon the public sector to prop-up the economy, and has subsequently begun to suffer the repercussions of having an ambiguous hole left gaping in its socio-economic fabric by the 30,000 jobs already lost by 2012, coupled to in excess of 80,000 more likely to be lost by 2017 (TUC, 2012). However this is contested by a number of critics, notably Neil O'Brien, Director of the Policy Exchange think tank (cited in The Telegraph, 2012b). Whilst the region was relatively insulated from the vast majority of the cuts in the early part of the parliamentary term, Figure 20 shows that the employment situation in the North West of England continued to deteriorate, with unemployment peaking at 331,000 in May 2012 (9.5%) (ONS, 2012b). This compares to a pre-crisis figure of 221,000 (6.6%) in August 2008 (ONS, 2008).

Summary of LFS headline indicators (thousands, seasonally adjusted)									
	All aged 16 & over								
	All aged 16 & over	**Total economically active**	**Total in employment**	**Un-employed**	**Economically inactive**	**Economic activity rate (%)**	**Employment rate (%)**	**Un-employment rate (%)**	**Economic inactivity rate (%)**
Number of people	1	2	3	4	5	6	7	8	9
Mar-May 10	5,529	3,423	3,137	286	2,106	61.9	56.7	8.4	38.1
Mar-May 11	5,547	3,413	3,120	292	2,135	61.5	56.3	8.6	38.5
Jun-Aug 11	5,551	3,434	3,152	282	2,117	61.9	56.8	8.2	38.1
Sep-Nov 11	5,556	3,443	3,136	307	2,112	62	56.5	8.9	38
Dec-Feb 12	5,559	3,401	3,076	325	2,159	61.2	55.3	9.6	38.8
Mar-May 12	**5,563**	**3,470**	**3,140**	**331**	**2,093**	**62.4**	**56.4**	**9.5**	**37.6**
Change on quarter	4	70	64	6	-66	1.2	1.1	0	-1.2
%	0.1	2.1	2.1	1.7	-3				
Change on year	16	58	19	38	-42	0.9	0.2	1	-0.9
%	0.3	1.7	0.6	13.2	-2				

Figure 20: Peak North West unemployment May 2012 (Source: Office for National Statistics (ONS), 2012).

With this in mind, Lowndes and Pratchett (2012) have conveyed that the local scale is crucial for analysing and experiencing the effects of the cuts and reforms to welfare which are being made. Indeed, it has become evident on numerous occasions over the past few years since the austerity cuts and fiscal rationalisation programmes have come into force in the UK, that certain localities and areas have been hit far harder than others (Church Urban Fund (CUF), 2012). There has been a definitive deepening of the North-South divide owing to the effects felt as a direct result of the retrenchment, or even the complete removal of specific elements of welfare provision. This is especially applicable to employment benefits, with the Coalition Government's heavy emphasis on 'making work pay' through the extension of the welfare-to-work initiative (MacLeavy, 2011). Henceforth, the North West of England has been carefully selected as the key site for conducting this research

project, because it exhibits locations demonstrating both enormous problems relating to the recession and cuts to public spending, but similarly locations apparently relatively well insulated from the retrenchment of welfare provision due to their greater linkages within the private sector (Hamnett, 2010), as well as much deeper rooted issues including class politics, age and gender concerns. However, it must also be noted that undertaking an analysis of an entire region comprising the sheer size and complexity displayed by the North West throws up a number of difficulties and challenges.

3.4 Austerity, welfare provision, and the state – the importance of cities

As noted in the previous section, local interactions are at the heart of the impacts and effects of austerity and welfare reform. In this regard, Brenner and Theodore (2002:351) convey that:

> "cities have become strategically crucial geographical arenas in which a variety of neoliberal initiatives – along with closely intertwined strategies of crisis displacement and crisis management – have been articulated."

In the UK, it is well acknowledged that there is an established North-South divide between the living standards and employment opportunities contingently experienced by citizens in the northern areas of the country compared with those residing in the South (Hamnett, 2010). However, it appears that it is the towns and cities in the North West of England which seem to be particularly heavily influenced by the effects of the austerity-driven workfare discourse of the Coalition (Centre for Cities, 2011b; 2011c). It has therefore been suggested that not only is it the towns and cities of the North West which are suffering this plight, but it has also become apparent that the effects are felt even more succinctly at the local and even individual household level (Taylor, 2010). It should be noted from the outset that whilst certain settlements are circled out from the rest as being specific hotspots of poverty, it would be naïve for us to infer from this that there is a blanket phenomenon occurring uniformly throughout that settlement and its hinterlands. Indeed even in the locations seemingly blighted by deprivation, it must be considered that there are incredibly affluent areas adjacent to those suffering from the deepest forms of

poverty seen in the UK (CUF, 2012). Taking the North West of England as a prime example of this, it can be observed that whilst there are indeed a large number of deprived cities as well as deprived areas of cities, there are adjacent cities and areas which are considerably more affluent and are in fact the complete opposite case of the stigmatism attached to issues of poverty and welfare dependency.

Settlements particularly hard hit by the issues associated with the poverty conditions most likely implicated by current government policy discourse are Liverpool, Manchester, Oldham, Rochdale and Blackpool in the North West (Guardian, 2012). Of further interest is that five of the top ten locations (and henceforth the places most likely to be implicated by the nationwide retrenchment of welfare provision) reside in the Liverpool conurbation, and the one in Blackpool (South Shore) also exhibits the lowest life expectancy of anywhere in England (CUF, 2012). The North West more than others has benefited from the widespread expansion since 1997 of public sector provision, particularly through the number of well-paid jobs which it has provided. However, since the onset of recession and the implementation of the relatively severe austerity measures, the public purse has been reeled in, and with it has gone the funding for many of the welfare-oriented projects previously underlined as part of the drive to eradicate poverty and deprivation in these locations. Henceforth, the combined effects of both rapidly rising unemployment and the relinquishment of benefits for many has led to the socio-economic outlook of the towns and cities of the North West looking extremely bleak. It is therefore becoming clear as to why it is areas predominantly of Merseyside and Greater Manchester where the problems seem to be proliferating most frequently (Ibid).

The first and most prominent location is Liverpool. The city regularly tops national statistics for a wide range of social and economic indicators associated with unemployment, poverty and deprivation, and so it is little surprise that five of the city's parishes make it into the top ten for the whole of England (ibid). Liverpool as a city has a long tradition in manufacturing and construction, and in particular ship building (Work Foundation, 2009). However, the city's economy was in decline for much of the 1970's and 1980's owing to its diminishing position in the global economy (Sykes et al., 2013). The city has also for a long period been bereft of a vast array of social problems, ranging from unemployment, to poor health and squalid living conditions. The public sector budget for Liverpool is therefore

enormous, and was expanded substantially under earlier Labour administrations to tackle deprivation, and child poverty in particular (Piachaud, 2012). However, it has also become apparent that a significant ‘dependency culture’ has developed in Liverpool, owing not only to the high proportion of the working age population who are considered long term unemployed, but also due to the high number of people not in employment, education or training (NEETs) and single parent households (Work Foundation, 2011).

A major impact of the current economic slump and austerity measures has been the retrenchment of state welfare accompanied by the slashing of annual council budgets and a drive towards a discourse of “austerity localism” (Featherstone et al., 2012). This has meant that Liverpool City Council has already had to make significant cost-cutting savings across the board to the tune of £173m since 2010, with a further £156m of savings needing to be found by 2017, and so are having to make difficult decisions as to where these savings are to be made (Liverpool City Council, 2014). Furthermore, despite government insistence on private sector dynamism, the city is yet to see any of this benefit, with many of the city’s residents remaining encapsulated within a low-pay-no-pay cycle of poverty. Henceforth, both the social and economic outlook for the city look bleak, at least up until the end of the current parliamentary period; citizens can expect specifically targeted welfare assistance from the government, with many forced to look for jobs which are often low paid and low skilled with few prospects, or may even be non-existent altogether under the Coalition’s work first rhetoric (Standing, 2013a; Standing, 2014). Furthermore, they will more frequently be left to their own devices to find a way of surviving effectively the severe negative impacts of the economic slump impinging upon their everyday lives. Substantial investment from the public purse is required into the city and its suburbs if the problems are to be even remotely arrested in the coming months and years otherwise the downward spiral will more than likely continue (Davies and Pill, 2011) This will not only lead to individuals and families slipping back from their middle class status’ beyond the poverty threshold as they fail to sustain their expected living standards, but it also implies that those members of the working class who are already poor look set to get even poorer and suffer even greater levels of deprivation, with no feasible route of escape or social mobility (Pearce, 2011).

The other city to focus on is Manchester and its surrounding satellites. Manchester has an established manufacturing history, but the problem of economic decline became particularly pronounced in the 1970's, when the neoliberal rhetoric of the global economy led to many jobs and services being outsourced to cheaper locations. In recent years, the city of Manchester itself has recovered, managing to attract lucrative investment and undertaking large-scale regeneration projects. Coupled to the policy measures of the Labour Government from 1997, this has meant that the city has once again developed into a major socio-economic hub, and the middle class contingent has swelled to unprecedented levels (Association of Greater Manchester Authorities (AGMA), 2009). However, it must be considered that there are still significant areas of deprivation within the city whose residents live with substantial poverty and deprivation everyday of their lives despite the efforts of previous governments (CUF, 2012). The situation for many vulnerable groups has been made significantly worse under the auspices of the Coalition Government's austerity measures. The losses are not as great as for Liverpool; the city has a vibrant private sector and so is not as reliant as the former on the public sector for both employment and to buttress the foundations of the local economy. However it is suffering great hardships due to the enormous levels of savings the city council has been required to make, coupled to the substantial amount of welfare retrenchment being implemented at national, regional and local levels. For instance, Manchester City Council has had to cut £250m from its budget between 2011 and 2015, and in the next 2 years will have to find an additional £70m of savings (Manchester City Council, 2015a). Again this eludes to the discourse of localism being advocated by the Coalition Government (Gregory, 2014), in that budget cuts are imposed onto the local authority which then must decide what to cut, and in turn, which citizens to protect.

The economic downturn along with the austerity regime of the Coalition has meant many are now struggling to maintain the quality of life for themselves and their families, and are more frequently than not slipping back towards the poverty threshold (JRF, 2012; Taylor-Gooby, 2012a). This has been compounded by the fact that the private sector has not rebounded as robustly in its growth to account for the sheer number of jobs, both public and private, lost as a result of the recession (Tomlinson, 2011). This has meant that many are now suffering from both

unemployment and lack of welfare support; for some this has meant a return to a lifestyle beneath the poverty threshold, whilst for others it has served merely to intensify the cycle of poverty which they have been entrenched within for much of their working lives (Standing, 2011).

Aside from the city of Manchester itself, some of its satellite towns have not fared anywhere near as well in recent years. Rochdale and Oldham appear badly affected, and since the 1970's have suffered the same fate of deindustrialisation that their larger neighbour has had to endure (New Economy Manchester, 2011a, 2011b). In contrast however, these former mill towns have been unable to attract the same kind of private investment Manchester has managed to secure, and as such have never really recovered from the effects of neoliberalisation and its associated facets (New Economy Manchester, 2011c). Thus these locations have been in a continuous downward spiral of unemployment coupled to high levels of poverty and deprivation (CUF, 2012). This goes hand in hand with the idea that there are "entrenched problems of worklessness" in many former industrial locations in the North of England (Fletcher, 2011:450). The situation improved slightly under Labour's Third Way and their programmes of welfare expansion, however since the onset of the recession and the introduction of the Coalition Government's widespread austerity measures, the rate of decline has intensified to the extent that poverty and deprivation is now greater than for most other places in England (Centre for Cities, 2011a) (see Figures 17, 18, 19, 20 and 21). This fits well with the portrayal of Meegan et al. (2014), who suggest that the local level is where most of the welfare issues that arise from cuts and unemployment come to fruition.

Rochdale in particular has severe issues with unemployment, with many working class people finding it almost impossible to secure long term and meaningful employment, especially when growth in the private sector is almost stagnant. The 2008-9 crisis led to a 3.3% fall in employment in Rochdale (New Economy Manchester, 2011c). The future prospects for such places are not promising. With the economy continuing to suffer the after-effects of a drawn out economic slump, the opportunities for jobs in the wider Greater Manchester area are likely to be limited and mediocre at best. Similarly, at a time when the average citizen suffering such hardships is likely to be even more reliant on help and provision from the state, such services are being retrenched beyond recognition as the government localism

agenda makes it obligatory for local authorities to make enormous and unsustainable savings in the coming months and years (Featherstone et al., 2012). In this regard:

> "at present, the impacts of welfare reform on residents and places are still somewhat uncertain but given the extent of benefit dependency, in Manchester they are likely to be far reaching" (Manchester City Council, 2015b:n.p).

With private sector growth being decidedly sluggish, and with little signs of improvement, many working and middle class citizens could easily become sucked back in to the deprivation rhetoric and a relentless cycle of poverty (Pearce, 2011).

Another consideration involves what forms of co-operation are similarly coming to fruition at local scales within cities as methods of mitigating the negative implications afforded by the policy processes under the new welfare geographies discourse. It has become increasingly apparent that individuals at the local level are necessarily being required to take overall responsibility for the provision of their own welfare (McDonald and Marston, 2005). As Newman (2011:91) notes:

> "policy has increasingly been driven by a desire to embed a new consensus in which it is accepted…that the unemployed have responsibility for tackling their own unemployment."

In fact, with the national government progressively retracting funding from local authorities which has been essential for the sustainability of a vast number of seemingly indispensable welfare services, such authorities are having to make difficult decisions as to where to make savings, and therefore, which of their constituents will be most adversely affected by the austerity measures being implemented (Manchester Evening News, 2012). As Knox et al. (2008) have noted, local authorities find themselves tied to a string of nationally devised policies, indicating that public expenditure is mediated through political motives, rather than socio-economic priorities. To this end, with cities often representing areas of high concentrations of poverty, vulnerability and henceforth welfare dependence, these are frequently being earmarked as the key locations for local authorities to make the necessary fiscal rationalisations attributable to having their budgets slashed (Lowndes and Pratchett, 2012; Lowndes and McCaughie, 2013).

Thus with such implications for large numbers of dependent individuals and families coming to the fore, it is now becoming increasingly important for people to become "aspirational citizens," (Raco, 2009:436) helping themselves as a mode of replacing the effective safety net of services which have been seemingly whipped away from under their feet. In this regard, with resources not forthcoming to undertake such projects, there is an inherent need, both in the present and most certainly for the future as the austerity drive starts to bite even harder, for vulnerable groups to co-operate and assist each other in order to strengthen their resolve in mitigating the negativities of the new welfare geographies of austerity in the UK. Therefore, as Ross (2009:63) points out:

> "community self-government forces people to become responsible for their own social welfare without being able to access the necessary resources to actualise their welfare delivery plans."

However, whilst their perceptible susceptibility to austerity is clear, the concentration of such individuals within cities offers a clear opportunity for effective path-dependent co-operation and resilience (Martin, 2012; Lowndes and McCaughie, 2013), in order to ameliorate the adverse connotations which are inevitable to those who have for so long been heavily reliant on the Welfare State as a basic guarantor of minimum living standards. However there are significant doubts arising over whether such a process can be implemented and sustained without massive state support (Smith, 2010), and this is another aspect of the welfare-to-work discourse which must be challenged by the forthcoming research.

It should now be apparent that there are significant changes taking place in the UK and beyond in relation to austerity and welfare reform. Much has been written in recent years about these processes across various scales, from the international level down to that of individuals in cities, and how both intricate geographies of welfare and welfare geographies are emerging as a result. It is important however to question not only whether the reforms being made are (re)new(ed), but also to emphasise that the extent of this (re)new(al) might vary at different scales. In this way, we could see a stronger or weaker shift at different scales and in different situations.

Chapter 4: Methodology

4.1 Introduction

The next chapter of the thesis deals directly with the specific methods through which the researcher completed this project. To recap, the aim of this thesis is to examine whether or not there has been a *qualitative shift* in the welfare-to-work discourse following the 2008-9 financial crisis and to discover if what we are witnessing is simply a reinvention or re-articulation of the neoliberal paradigm which has preceded it. In turn this leads to the question of whether what is now being contingently experienced across a number of spatial scales is something new or whether what we are seeing is essentially the same as before the crisis. The research questions formulated as a result were:

- **To what extent is austerity influencing the nature of welfare provision?**
- **What political strategies and their associated material effects are emerging in response to austerity?**
- **How are the least insulated cities acting as locations of co-operation and resistance to such strategies and policy processes?**

This chapter begins by outlining the research methods employed in actually undertaking the collection and analysis of data in the project (Section 4.2). This includes a detailed breakdown of the interview process, the selection of the participants involved, and the analysis of the results which emerged as a consequence. The chapter then goes on to address the ethical considerations underpinning the research project, as well as issues around positionality and reflexivity (Section 4.3). Following on from this, it elucidates upon similar research within the fields of qualitative research, as well as studies around austerity and welfare-to-work (Section 4.4). Section 4.5 then identifies a series of research questions to be asked and then subsequently answered in the following empirical chapters. The chapter concludes by discussing how the final research findings will be disseminated (Section 4.6) as well as the limitations which form an inevitable part of any research project (Section 4.7).

4.2 Qualitative research

In order to gather the information required from the project, the intention was to utilise the qualitative data collection technique of semi-structured interviews. This would hopefully enable interviewees to express their thoughts and opinions on welfare-to-work issues specific to their situation, whilst at the same time maintaining a focus on the questions being explored in the thesis. In short, qualitative methods offer a more humanistic approach to research because it offers a balance between examining structural processes and the experiences of the individual (Winchester and Rofe, 2010) The use of semi-structured interviews is a common technique in the undertaking of qualitative research, but other qualitative approaches such as focus groups and media analysis are also common and can be equally effective. Good examples of qualitative research in this field include studies by the charity Gingerbread (2012) looking into welfare-to-work for single parents, and Mascini et al. (2009) who investigate the changing nature of labour market activation policies under welfare-to-work. A clear example of where a mixed methods approach has been taken to qualitative research can be seen in the paper by Hancock and Mooney (2012).

4.3 Research methods

4.3.1 Semi-structured interviews

The main source of primary data was 40 semi-structured interviews with key stakeholders involved in conducting, implementing and experiencing the impacts of welfare-to-work reforms under the auspices of austerity. Selecting the correct research methodology was crucial because “in complex ways, ontology and epistemology are linked to the methods we choose to use for research” (Winchester and Rofe, 2010:5).

There are numerous benefits of using semi-structured interviews. Dunn (2010:110) notes that they give the benefits of ensuring both the flexibility of a conversation whilst still maintaining a basic structure, as well as being “content-focused” at the same time as allowing a free flowing conversation between interviewer and participant. In this way they also keep an interview informal and allow for open

responses rather than simply closed responses such as yes or no (Longhurst, 2004:119). However, the researcher was also careful to ameliorate the potential negative aspects of using a semi-structured interview technique, such as participants straying too far off topic, making assumptions about the information provided by respondents to an interviewer compared with if they were having the same conversation with their peers, or simply needing to collate a large enough sample set to make comparisons between interviews credible. Despite this, there was an overall positive experience from using a qualitative methodology such as semi-structured interviews, because as Winchester and Rofe (2010:7) note:

> "individuals experience the same events and places differently. Giving voice to individuals allow viewpoints to be heard that otherwise might be silenced or excluded."

Longhurst (2004:128) takes a similar stance emphasising that:

> "semi-structured interviews…make a significant contribution to geographic research, especially now that discussions about meaning, identity, subjectivity, politics, knowledge, power and representation are high on many geographers' agendas."

But why do interviews at all? Thrift (2000) scrutinises the use of qualitative research methods, insisting that they limit themselves by being reliant on a narrow set of techniques to collect their data. However in contrast, Brannen (1992) conveys that qualitative methods such as interviews enable the researcher to view the world from a much wider perspective than would otherwise be the case using quantitative methods. Despite being questioned by advocates of more traditional quantitative methodologies, there are a number of fundamental advantages to collecting data through interviews. Dunn (2010:102) expresses that there are four core reasons for undertaking interviews. Firstly they fill gaps in the knowledge base which other methods are unable to address. Secondly, they offer an option to investigate complex behaviours and motivations which other methods, particularly quantitative ones, might overlook. Another strong benefit of using interviews is because, third, they offer a route to subjective data, such as opinions, experiences and meanings. They are especially useful in this respect when working with groups because they help to identify differences in opinion but also consensus. Finally, they identify

themselves as a method which shows respect and empathy with the thoughts and feelings of participants, and perhaps more crucially, empowers them.

These principles are supported by Longhurst (2004:128) who infers that semi-structured interviews “are useful for investigating complex behaviours, opinions and emotions, and for collecting a diversity of experiences.” Furthermore, other advantages of using interviews identified by Dunn (2010:102) include the use of open as opposed to closed questions (and therefore responses), because they tend to offer a much more powerful relevance to the participant and they can help to identify any misplaced questions in the interview schedule which might need addressing or improving in the long run. Finally they have a positive effect on the integrity of a research project, because they can validate or invalidate the opinions and conclusions of the interviewer, but also offer the potential to elucidate any issues or topics which might previously have been missed or deemed to be of lesser importance.

4.3.2 Selection and recruitment of interviewees

One of the first considerations was the need for the methodology to reflect the different spatial scales at which welfare reform is co-ordinated, implemented and experienced. For this reason the selection of interviewees was guided, in the first instance, by focusing on the national, regional and local levels. It was decided that the first round of interviews should focus on the national level. This is because these interviews would reveal in greater detail the motivations underpinning austerity politics and welfare reform, thereby helping to refine the broader conceptual focus of the thesis as well as uncover the major political themes which could then be explored in greater detail in the regional and local level interviews. In other words, the national level interviews were designed to better understand the rhetoric and mechanisms by which austerity-inspired welfare reforms were being actioned. The importance of stressing the acute nuances of the processes around austerity and welfare-to-work particularly at various scales has been justified by Shirlow (2009:43) who articulates that:

> “governance is more than the act of government, given that it stretches beyond institutional frameworks and into areas including institutional actors such as quangos, pressure groups, lobby groups, social movements and non-governmental organisations.”

These national level interviews were conducted between January 2013 and April 2013 when the political debate centred on the impacts relating to the speed and extent of austerity measures and public sector job losses. In this way, national level interviews contributed mostly to addressing research question 1.

Regional level interviews were then conducted in North West England between March and October 2013 when the political debate centred on welfare-to-work, the effectiveness of the government’s Work Programme, and an emphasis on fairness and protecting the benefits of pensioners at the expense of those of working age. The aim of these interviews was to identify what effect the austerity and welfare-to-work policies of the present Coalition Government are having on regional capacity to implement and respond to the impacts of such an agenda. Regional level interviews contributed mostly to addressing research questions 1 and 2.

These were followed by the local level interviews in towns and cities across North West England. Conducted between April 2013 and November 2013, this was when the political debate centred on adapting to austerity and welfare-to-work reforms, and mitigating the impacts coming to fruition at the local level. The aim of these interviews was to uncover the specific effects and responses coming to the fore in local situations of nationally devised austerity and welfare-to-work measures. Local level interviews contributed mostly to addressing research questions 2 and 3.

The initial aim was to conduct 40 interviews, divided between national (x10), regional (x10) and local (x20) respondents. This balance reflected a recognition that national and regional level interviews were important for analysing the rhetoric and reality of government policy formation and how it cascades down from central government, but it is the local level at which the effects of welfare reform policies are most visible and as such where the (un)intended consequences of austerity politics would be most acute. Table 4.1 contains a breakdown of the target population and how they were to be sampled to cover the breadth of scale and actors (conductors/orchestrators, implementers and recipients).

Table 4.1 Selection of interviewees

Scale	Actors	Target number of Interviews
National (x10)	Government ministers and department officials	6
	Representatives of national voluntary/private sector groups	4
Regional (x10)	Researchers at policy think tanks	3
	Leaders and officials in regional governance	4
	Area and representatives for voluntary/private sector	3
Local (x20)	Members of Parliament	5
	Local authority leaders and policy officials	10
	Voluntary sector groups	2
	Job Centre Plus	3

There was flexibility in this selection and recruitment process and the practicalities of undertaking research ensured that achieving this sample of interviewees proved to be more challenging than initially envisaged. Indeed, while 40 interviews were completed (Table 4.2), the breakdown was 17 national level interviews (+7 on my original target), 6 regional level interviews (-4 on my original target), and 17 local level interviews (-3 on my original target). There were a number of reasons for this. First, at the national level the researcher was able to get more interviews than initially anticipated, offering a wider variety of perspectives than originally thought to be necessary. Whilst this raises the issue of saturation of information, additional national level interviews were only taken on if there was additional value to be gained from doing so.

Table 4.2 Actual interviewee numbers

Interview Scale	Type of Interviewees Required	Number of Interviews
National (x18)	Government ministers/department officials	1
	Voluntary (3rd sector)/private sector	3
	Think tank	12
	Other	2
Regional (x6)	Regional government	0
	Voluntary (3rd sector)/private sector	2
	Think tank (including one regional branch)	2
	Other	2
Local (x16)	Local government	8
	Voluntary (3rd sector)/private sector	8

Second, and somewhat related to this, there were quite a limited number of regional interviews undertaken. This has not been an oversight on the part of the researcher by skewing the interviews towards the other scales, but instead it was progressively found that the regional structures are simply not in place to explore as initially intended. One consequence of the Coalition Government sweeping away the regional tier of governance in England between 2010-2012 is that the regional organisations originally identified as a rich source of information have been wound up, with the people working in these institutions that had the knowledge either being lost to other professions or now being absorbed into local authorities. In short, it was much harder to find regional level interviewees, or trace those who previously worked in regional institutions to access the information they hold.

Thirdly, it became clear that the willingness to speak was very different between national and local levels. There was a strong sense that those working at the national level were much more prepared to speak with the researcher, possibly seeing it as an opportunity to communicate how the policies are designed to work. An exception to this arose when attempting to set up interviews with government departments heavily involved in the welfare reform process, which were very reluctant to speak to the researcher in any capacity, possibly due to the sensitive nature of the work they undertake on a daily basis. In contrast, those working at the local level were more difficult to secure interviews with. This could be due in larger part to the burden of work they are dealing with and the request for 45 minutes of their time is not something many felt able to commit to.

The selection and recruitment of interviewees was slightly different at national, regional and local levels. National level interviewees were selected to reflect the broad range of political views represented among policy think tanks. This ranged from left-leaning organisations such as the Centre for Welfare Reform, through the left of centre Fabian Society and the right of centre Policy Exchange, to the more right-orientated Centre for Social Justice.

Regional level interviews involved targeting the few remaining regional institutions (e.g. NWTUC) and identifying former employees of regional institutions (e.g. Regional Development Agencies, Regional Assemblies, Government Offices for the Regions) who have reappeared in other organisations – be they at a local, regional or national scale (e.g. local authorities, Local Enterprise Partnerships, policy think tanks). Compared to the local and national level interviews there was much less sampling undertaken at the regional level.

Local level interviews were undertaken with a range of stakeholders from local authorities, to housing associations, Citizens' Advice and local employment charities. Towns and cities identified through previously published research findings as the most exposed to the effects of austerity and welfare reform were specifically targeted. Research from the Centre for Cities (2011a; 2011b; 2011c) confirmed that a large proportion of the cities dealing with issues of deprivation, low employment rates and substantial welfare bills were located in the North West of England. From this, particular cities were highlighted as key areas of focus for the project, including

(Greater) Manchester, Liverpool (Merseyside), Rochdale, Burnley, Blackburn, Birkenhead, Blackpool, St. Helens, Oldham, Wigan and Bolton. Efforts were made to undertake interviews in all these locations with local authorities and third sector organisations, and were completed in all but Wigan, Bolton and Blackburn where there was reluctance to participate or difficulties in identifying suitable interviewees.

From here, Cameron (2000) conveys that participants should be chosen for interviews based on their topical experience, so a snowballing-type technique – where interviewees made the researcher aware of other individuals or organisations it would be useful for them to talk to – was employed. However it is important to note that such a process was only considered where the researcher felt the suggested participants would add value to the project, and not just undertaking the interview on the basis of someone's recommendation. It was a difficult process in that many of the interviews were difficult to set up in terms of getting a response from the stakeholders contacted, and then finding a mutually suitable date and time for the interview to take place.

The result of this was that the researcher was able to undertake and analyse 40 interviews (which met with my original target of 40 interviews). This constituted a 59% success rate of the 68 potential interviewees initially approached. As already noted, receiving responses from local target areas such as Wigan, Bolton and Blackburn proved much more challenging than in other places. This was either due to a lack of response from the stakeholder or a reluctance to participate. Several stakeholders did, however, provide some generic information about their welfare-to-work initiatives as an alternative. Further to this, the researcher also had significant problems when attempting to set up interviews with bodies closely affiliated with the Coalition Government's welfare-to-work agenda, mainly Jobcentre Plus and DWP (problems were experienced at national, regional and local scales). Despite extensive endeavours to establish a rapport with these key stakeholders, it proved impossible because of their policies of not participating in research which had not been sanctioned by the DWP. Aside from these main problems, other barriers to participation included lack of time or availability or lack of visible contact details.

On the other hand, however, certain stakeholders proved extremely easy to contact and were more than willing to assist in my investigations. In particular, local voluntary

organisations such as Citizens' Advice and local employment charities were readily available to speak with me. Many welcomed the opportunity to be able to elucidate upon their day to day experiences of austerity, welfare-to-work and the difficulties that arise as they implement and respond to the impacts of a renewed welfare-to-work rhetoric. In terms of the spread of the sample of interviewees who participated, the researcher believes they managed to obtain a good range of stakeholders from national, regional and local backgrounds. However there were a number of slight anomalies in the distribution. At the national level, there was an underrepresentation of participants from government agencies. These were key targets for potential interviewees as these are the stakeholders charged with the initial conducting and implementation of the government austerity and welfare-to-work policy. The regional scale interviews also threw up an anomaly, because the researcher was unable to obtain any interviews with representatives of regional government organisations. Far from this being an oversight on the part of the researcher, lengthy attempts were made to source regional government contacts, but which proved completely futile. However this helped the interviewer to identify the inherent void left by government austerity measures which had all but stripped out any regional level structures for disseminating and co-ordinating policy processes down to the local level.

There was also a small amount of snowball sampling involved in the selection of participants. Particularly where first choice targets were not available, or where certain individuals were recommended based on what had been discussed with other participants, the researcher was advised to contact potential interviewees who they had perhaps not come across previously, or who had initially been lower down the list of priority to conduct interviews with. However, it should be noted that meticulous preparation and selection of participants kept such a snowballing effect to a bare minimum, and in many cases, interviewees recommended other potential participants who had already been interviewed or who had been contacted to set up an interview in future.

4.3.3 Conducting interviews

All interviews were semi-structured (samples of national, regional and local level interview schedules can be found in Appendices 1-3 respectively). The structure of

the interviews included up to 13 primary questions (the appropriate number of these asked was left to the discretion of the interviewer at the time of the interview) which were generic to all respondents. These questions lasted for the first 10 or 15 minutes of each interview, and were intended to establish a flowing conversation with each stakeholder, focusing on their understanding of the Welfare State in the UK, what they considered to be the major impacts of austerity under the Coalition Government, which groups of people they felt had been more or less affected by austerity and welfare reform, and if they had come across any unexpected impacts of the aforementioned processes. This was followed by secondary questions tailored specifically to the stakeholder being interviewed (based on the scale the stakeholder operated at).

During the process the researcher was also careful not to disclose the thoughts and statements of previous participants. This is important so as not to guide or influence their responses. From these considerations the researcher devised three interview templates – one each for national, regional and local level interviews – which could then be tailored to the individual interviewee to reflect their role and position within the design and implementation of austerity inspired welfare reforms. Care was taken when constructing each schedule so as to avoid any leading questions. That said, in each case the interview was structured to explore three main issues: (1) whether austerity politics are an economic necessity or more of a politically-driven strategy; (2) the tactics and strategies being used by those stakeholders involved with conducting, implementing and experiencing the current welfare-to-work legislation; (3) responses to the welfare-to-work reforms. This was done to directly address the research questions and therefore the overall aim of assessing whether austerity-inspired welfare-to-work reforms are something qualitatively new (discontinuation) or a renewal (continuation) of previous reforms.

The utilisation of interviews by the researcher was intended to act as a conversation more than a cross-examination, as this approach was thought to uncover far more in depth and interesting information by creating a more relaxed and laid back approach to conducting the interviews. Furthermore, the use of such qualitative research methods enabled the researcher to explore in far more depth the intricate themes coming to the fore around the responses of key stakeholders to austerity politics and (re)new(ed) welfare-to-work.

Within the broad structures of my interviews, the actual interview questions focused on key political and policy issues which are indicative of austerity-inspired welfare reform in action: *inter alia* Universal Credit (DWP, 2010a), The Work Programme (DWP, 2012), the removal of the Spare Room Subsidy (DWP, 2013a), in-work conditionality (DWP, 2010a), The Localism Act (DCLG, 2011), Big Society (Cabinet Office, 2010) and Work Capability Assessments (DWP, 2010b). Broader political and economic issues were also addressed, most notably: the availability and suitability of work; low paid work, zero-hours contracts and the living wage; the rights and responsibilities of the state, providers and citizens; political ideology; the impacts of welfare reforms; the privatisation of welfare-workfare; and measuring unemployment and disability. No interview covered all of these in depth, but the 40 interviews did cover this broad spectrum of topics. Before each interview the researcher tailored the focus based on the interviewee's position and role, including more questions on particular topics where the researcher felt the interviewee would be more knowledgeable and therefore more able to provide more detailed answers and understanding. Then in each interview the researcher was constantly evaluating their answers, and where they raised particular points of interest which were worth exploring, further follow up questions were asked. In this way there was always a strong degree of flexibility, particularly as each interviewee could bring in to the discussion topics and issues which the researcher had not thought of prior to the interview and/or had more or less knowledge and understanding of a particular topic than might have been imagined given their job title.

For this reason the themes and questions were not necessarily addressed in the order outlined in the interview script. Interviewees were encouraged to converse freely and discuss issues in a way pertinent to them. However, it should be noted that the interviews remained in a semi-structured format and respondents were periodically kept in check so that they did not stray too far from the discussion topics intended.

In addition, the interview schedules evolved through the data collection phase as new issues arose and political-economic circumstances changed as the interview process advanced. One significant alteration followed the changes to Universal Credit proposals under the Welfare Reform Act 2012 (HM Government, 2012) and other benefit reforms – most notably the 'Bedroom Tax' (DWP, 2013a) and the

introduction of a benefits cap at £26,000 (DWP, 2014a). These reforms introduced new elements, and in turn required the interview schedules to be constantly updated. The capacity to apply flexibility within the broad structure of an interview scheme was important in enabling the research to remain current and timely, but also remain close to the original focus of the research. In other words, semi-structured interviews benefit from striking an important balance between rigidity, necessary to keep the data collection on topic, and flexibility, necessary for aligning theory and empirics.

Given the politicised nature of the research topic, interview questions were carefully worded. It was necessary to avoid using particular terms – e.g. 'conditionality' or 'political strategies' – and allow them to emerge from the research because the danger is that if the interviewer uses them it leads the interviewee to use them and can therefore skew the findings one way or another depending on the nature of the term. It was also important to avoid leading interviewees towards focusing on certain societal groups when asking about the effects of the welfare reforms. This was intended to maintain the integrity of the interview schedule and so avoid leading respondents into particular answers and academic terminology to gain an outcome beneficial to the arguments then presented in the thesis. Despite this, a large proportion of those interviewed freely chose to use these terms – itself an important research finding.

Interviews were a mixture of face-to-face (n=15) and phone interviews (n=25). Face-to-face interviews were the preferred approach so as to obtain the highest quality data; however, this had to be balanced with issues of availability and securing access to targeted interviewees. In the end, because the research was most interested in the content of interviews – much more than say the delivery – conducting interviews by telephone proved less of a concern as the research progressed, particularly as the researcher became more confident.

Average interview time was 55 minutes, meaning over 36 hours of interview data was collected. The shortest interview lasted 25 minutes and the longest interview lasted for 1 hour 53 minutes. The majority of the interviews lasted between 45 minutes and 60 minutes. Interviews took place at a time (and location for face-to-face interviews) chosen by the interviewee, because using an environment deemed comfortable and familiar to the participant was more likely to elicit more detailed and

comprehensive responses. Furthermore, the responses were often supported by additional information, be it in the form of examples or in the case of face-to-face interviews through extra materials such as leaflets.

All interviews were digitally recorded. The benefit of recording interviews is that it enables the interviewer to "focus fully on the interaction instead of feeling pressure to get the participants words recorded" (Longhurst 2004:125).

The pace of the interviews was, in the main, dictated by the participant, as this allowed them to put across all the information that they wished and would not feel pressured into giving shorter answers which may have resulted in critical information being omitted. Small periods of silence were also treated as productive parts of the interview process, as they were represented as opportunities for respondents to pause and think before relaying their answer to a particular question.

4.3.4 Analysing interviews

Upon the completion of the interview process, transcriptions were undertaken for all interviews as soon as possible afterwards because having the interview still recently in mind made the procedure faster, more coherent and allowed a first level analysis to be undertaken (Longhurst, ibid). It was also important to transcribe the interviews quickly because this helped inform upcoming interviews. Interviews were transcribed verbatim and produced 324,260 words of data to analyse. Transcripts were then coded according to the relevant themes and topics.

4.3.5 Coding

As a piece of qualitative research, the project involved a significant amount of coding. Cope (2010:281) conveys that:

> "geographers are increasingly engaged not only in doing qualitative research but also in thinking and writing critically about methodologies including the ways that we evaluate, organise and 'make sense' of our data through the coding process."

The primary data coded were the 40 semi-structured interviews conducted. Coding involves separating material into more manageable chunks by assigning categories or codes to pieces of information which are of interest to the research project. In turn, the frequent reoccurrence of certain codes and their connections and assimilations with other codes enables the researcher to formulate themes through which original content and findings can be ascertained. Cope (2004:446) notes however that coding qualitative data can be problematic because:

> "often, the traditional standards of 'good research', such as objectivity and the ability to generalise to larger populations, are not applicable for such materials."

Cope (2010) identifies four key purposes of coding, including data reduction, organisation, data exploration, analysis and theory building, and coding can be used in an exploratory way such as with grounded theory (generating theories from empirical data).

Aside from the purposes of coding, there are also a number of types of coding which can be utilised depending on the desired outcome. The most simplistic stage of coding involves the use of descriptive codes. These reflect clear and obvious themes or patterns which are emerging from the data. Strauss (1987) infers that identifying patterns and categories are the most basic level of coding. In the case of interviews, these can often be described as in vivo codes, in that thoughts and ideas played out are important to the individual being interviewed. If the researcher requires a much more in depth approach then they might choose to use analytic codes. These reflect points of interest within the material which are not so clear cut, and which are deduced by the researcher based on the context of actions and the language used by participants. Other types include 'open coding' (Strauss, ibid) where the coding of data is unrestricted, and 'axial coding', a type of open coding which proceeds along a particular axis, and which allows the researcher to follow a particular category to test its relevance. Alternatively there is 'selective coding' where a systematic approach is taken towards a core category or research interest (Cope, 2004).

Crang (2013) highlights even more approaches to coding, suggesting that there is a definitive need to clarify the relationship between codes and the materials analysed. He points to 'emic' coding, a process similar to in vivo coding which refers to the

localised terms which are used by the participants themselves. On the other hand there are ‘etic’ codes, which by contrast are assigned by the researcher to describe events and provide meanings and theories. These codes are theoretical in nature and are accumulated in response to issues arising from the data. However Agar (1980, cited in Flowerdew and Martin, 2013:225) notes that emic and etic coding types are not so clear cut, and most sources of data are in fact a combination of both. In a similar way, Crang (2013:225) highlights the importance of using a robust and credible coding methodology:

> “clearly these categories must have a certain level of robustness…one of the themes outlined…is how to develop this robustness through the evolution of ideas and codes, so that in the iterative process of developing then refining, categorising and re-categorising, the final categories are coherent and supportable.”

The researcher therefore began by consulting the research questions and constructing a number of more descriptive, generalised codes with which to begin the process of analysis. However, Cope (2010) asserts that it is important to remember that analysis does not begin after the coding process has been completed, but instead that coding is in itself part of the analysis procedure, and is a cyclical, ongoing process. Indeed Cope (2004:448) states that “coding enables the researcher to make new connections.” In this research project, these included ‘employment’, ‘responses’ and ‘material effects.’ These generalised codes were then subdivided further into more specific analytic codes in order to pick out the particular nuances of what the researcher was attempting to unpick. For example, within the code ‘employment’, there were a number of sub-codes such as ‘availability of jobs’, ‘the Work Programme’ and ‘hours of work/incentives.’ These sub-codes by comparison were not arbitrally assigned in line with the research questions, but instead were constructed chronologically as they emerged from within the text as other codes were being addressed. However it does enable the researcher to be more objective and link the responses to the research questions and not the other way round. Cope (ibid) asserts that coding needs to be specific otherwise the analysis process becomes too general and weakens the integrity of the results. Furthermore, coding was conducted on a sentence by sentence basis, so taking

each segment of text independently and applying each code and sub-code as appropriate, enabled a thorough and detailed analysis of the data collected.

Indeed, within each interview transcript, relevant quotes were highlighted in red, followed by their assigned letter and number combination to denote which code or sub-code they related to. For example, any reference to the Work Programme was highlighted and assigned the code B8. Cope (2010:284) notes that:

> "while the development of the coding structure is by no means a simple process, it is one that – if done well – enables the data to be organised in such a way that patterns, commonalities, relationships, correspondences, and even disjunctures are identified and brought out for scrutiny."

After an extensive process of analysing all the interview material collected, a comprehensive coding framework was assembled (Appendix 5) consisting of 14 codes and 88 sub-codes, which acted as a fluid and dynamic document as it could be added to or changed throughout the process, whilst at the same time continually referred back to the research questions initially proposed in order to maintain the focus on the task at hand. From this, each code and sub-code could be assigned where appropriate within the interview text, and the relevant sections of text were then copied into distinct Microsoft Word documents where they could be more easily analysed in more detail. In this way, coding helps to reduce data by putting it into smaller, more manageable sections. As Lefebvre (1991:105) suggested "reduction is a scientific procedure designed to deal with the complexity and chaos of brute observations."

Once all the quotes had been inserted into the relevant coding documents, it was possible to pick out the major themes which were emerging from the interview process. Cope (2004:454) conveys that:

> "the process of theme building is central to qualitative, interpretive work because it allows for the organisation of information into trends, categories and common elements that are theoretically important."

Cope (2010) also infers that coding creates a level of organisation which allows data to be arranged in terms of similarity and relationship. Once these themes had become apparent (which will be addressed in the forthcoming empirical chapters),

the researcher then selected quotes from the coded material which best highlighted these key issues, as well as being representative of the views of the majority of respondents. However, Jackson (2001) notes that it is crucial we remember that theme building should be done utilising a variety of materials together rather than assessing each piece of information separately.

4.3.6 Triangulation

Qualitative methods "have traditionally been used as part of triangulation or multiple methods in a search for validity and corroborative evidence" (Winchester and Rofe, 2010:21). Advocates of traditional quantitative methods of validation might question the rigour of qualitative analytical methods. However Silverman (1993) asserts that such quantitative approaches are inappropriate for ethnographic studies, and therefore strategies such as triangulation can be used to ensure the reliability of results in qualitative work. In this research project, whilst the coding and analysis process enabled the researcher to bequeath a plethora of useful information and interview quotes from the data, it is important that individual responses were not taken as fact purely to satisfy the research questions initially propositioned. Winchester and Rofe (2010) have identified four major types of triangulation: multiple sources, multiple methods, multiple investigators and multiple themes. In this way, the process of triangulation became crucial, by utilising a mixture of different sources (i.e. the range of different interviewees selected) to corroborate the opinions and ideas put across by the respondents. In turn, this meant that the researcher could be much more confident that the comments being made were not just subjective opinions, but were actually factually grounded. Indeed Clifford and Valentine (2004:8) contend that triangulation ensures that "researchers can use multiple methods or different sources of information to try to maximise an understanding of a research question." In a similar way, Longhurst (2004:120) notes the value of using interviews from a range of stakeholders in order to strengthen the argument being made. He states that:

> "both semi-structured interviews and focus groups can be used as 'stand-alone methods', as a supplement to other methods or as a means for triangulation in multi-methods research."

What this meant for this research project was that utilising multiple sources of information by conducting interviews with a range of different stakeholders significantly strengthened the results obtained.

4.4 Positionality and ethical considerations

4.4.1 Positionality

Research is subjective not objective, so we must always consider our own positionality within the research process. Having no previous affiliation to or with any of the stakeholders or organisations involved in the research process was an advantage. Nevertheless, our own political persuasions undeniably impact the research process and it is important to be aware of those as best can be achieved across the design, implementation and analysis phases. That stated, Rose (1997) reminds us that it is virtually impossible for a researcher to position themselves perfectly within their research.

In these ways, it is crucial to remember that the position of the researcher within the research process can influence the research project itself, being manifested through potential subjective observations and opinions which could convolute the findings. This is conveyed by Mansvelt and Berg (2010:339), who state that:

> "it is important to both reflect upon and analyse how one's position in relation to the processes, people, and phenomena we are researching actually affects both those phenomena and our understanding of them."

In this way it was important for the researcher to consider their specific positionality within the research process, being a young male from the North West of England, and how this could potentially influence the responses given to the questions put to each interviewee. However, the process of designing the questions was careful to minimise this conflict of interests wherever possible, by remaining objective and not disclosing any information which might have an influence on the response a participant might provide.

The researcher set about undertaking the interviews with an intentional naivety towards the issues at hand, allowing respondents to express their views freely in

order to obtain a greater diversity of information from the interview process. The need to attain a relaxed and informative environment through which an expressive conversation could be had was considered a high priority by the researcher as a way of obtaining as much useful interview material as possible, as advocated by Longhurst (2004). As a result, the interviews were conducted in the most comfortable and familiar environment for those participating, be that in their place of work, a public meeting place, or perhaps over the phone. An emphasis was therefore inherently placed upon the need for openness, trust and transparency in the conversations taking place. To ensure this level of engagement further, a small amount of time was spent at the beginning of each interview establishing an amicable rapport, whereby each participant was given the opportunity to explain a bit about themselves, their work, and their experiences of welfare reform and welfare-to-work under Coalition austerity.

It was also essential to acknowledge the potential for researcher bias when transcribing and analysing the interview data, and not just in the process of actually conducting the interviews. By taking specific care to accurately transcribe and record data, and by paying close attention to nuances in the language used, the researcher was able to minimise subjectivity when data was analysed.

4.4.2 Reflexivity

The final consideration which needed to be made throughout the project was that of reflexivity, whereby the researcher necessarily undertook an ongoing appraisal of their performance holistically from project design, through data collection and to analytical findings, as an ‘insider’ or ‘outsider’ within the project (Moss, 1995). Reflexivity is defined by Charmaz (2006:188) as “the researcher’s scrutiny of his or her research experience”, essentially a self-analysis of how the process of undertaking a research project is addressed. The awareness of the researcher as to their position within the research project, and in turn their ability, proactively or otherwise, to influence it, is an essential part of any research project. However Bourdieu (2003) conveys caution towards too much obsession with objectivity, because it can lead the researcher to neglect the consideration that some subjectivity is an important part of all social research. Positionality is integral at every

stage of the research process in terms of the construction of knowledge, from data collection to the discussion of research findings. The researcher took a great deal of time throughout the research at each stage to reflect on the methods, the processes and the outcomes of the project, enabling them to reflect on what they had done, what worked well and what had not worked so well. This was so that in future methods could be refined in order to continually improve the research process and maintain the objectivity and integrity of the project. The use of coding helps create this opportunity for reflexivity because its contemplation and analytical nature offers a chance for reflective thought (Cope, 2010).

4.4.3 Ethical considerations

Ethical approval was gained through Loughborough University's ethical practices guidelines. The research project was approved by the Loughborough University Ethics Advisory Committee.

The main ethical issue to be adhered to in this project was that there were no negative consequences for participants involved in the interview process. In this way, participants were given as much information as possible to ensure they were entirely comfortable with taking part in the interview process and which would not have an effect on the answers which were subsequently given. Participants were provided with a 'Participant Information Sheet' prior to the interview taking place, which was important because it gave them the opportunity to ask any questions or raise any concerns prior to partaking. Each individual was also required to fill out an 'Informed Consent' form, to confirm that they understood what the interview process would involve and that they were entirely happy to take part (Appendix 4). This was also completed prior to each interview taking place. Participant information sheets were emailed out to participants at least one week in advance of the interview where possible. For phone interviews, the participant consent forms were also emailed out at the same time such that they could be filled out and returned by email or post prior to the interview taking place. For the face-to-face interviews, each interviewee was asked to fill out their consent form on the day immediately prior to the interview taking place. In this way participation was completely voluntary, with nobody forced or coerced into taking part at any point in the process, with the ability to withdraw at

any point without any recriminations. In addition, it was made clear that if a respondent wished not to provide an answer for whatever reason, they were able to do so without having to justify their basis for doing so, and were similarly made aware that they could end the interview at any time, again without having to justify why.

It was also clarified to the interviewees that the digital recordings of the interviews would only be listened to by the researcher, and that nobody else would have access to the recordings. This was also important given the sensitive nature of the discussions particularly given specific local contexts (Smith, 2004). In addition, participants were assured that all recordings would be anonymous, and that they would be contacted prior to the submission of the thesis if quotes from their interviews had been used, to reaffirm that they were happy for their comments to be included despite total anonymity. This anonymity was ensured by the use of generic pseudonyms attached to interview quotes in the transcripts, thesis itself and beyond. It was also made clear to those interviewed that confidential information, including the transcripts, recordings and contact details would be stored in password protected files and would not be shared. This is similar to the assertion of Valentine (1997) that confidentiality and anonymity of participants is arguably the most important aspect of any research process. Once the consent of each participant had been obtained, each was required to sign a consent form to establish officially that they were happy to partake in the research project.

4.5 Wider policy relevance and academic research

4.5.1 Studies of welfare-to-work

There have also been a number of similar research projects undertaken which examine the social and economic effects of (re)new(ed) welfare-to-work in the UK under the Coalition Government. Whilst all such projects in some way investigate the impacts that austerity is having upon both economic and social elements of welfare-to-work in the UK, they all reflect slight differences in focus towards the specific effects and specific responses to particular elements of the welfare reform process, as well as a variety of methodological techniques undertaken in doing so. Prime

examples of this type of research include Weston (2012) who investigates the impact of welfare-to-work on the disabled, and McCollum (2012) who challenges the issues surrounding welfare-to-work cycling. Other constructive research papers include the work of Standing (2011), Wright (2012), Fletcher (2011) and Jones (2012).

4.5.2 Studies of post-recession austerity

There has also been a considerable amount of research undertaken which uses various qualitative approaches to analyse the implications of austerity under the Coalition Government, and in particular the effects such austerity politics are having on issues of welfare and welfare reform. There has been a particular focus on the places and groups of people who are losing out, particularly in those locations with depressed labour market conditions. The most pertinent illustrations of this type of research can be seen in the work of Beatty and Fothergill (2013) who focus on the specifics of different austerity measures through a geographical lens to observe who is hardest hit and where, as well as Shaw (2012) who draws attention to the actions of local authorities attempting to mitigate the negative connotations of austerity. Other good examples of this type of research include Baggesen Klitgaard and Elmelund-Praestekaer (2013), Taylor-Gooby (2012a) and Callinicos (2012).

4.6 Research questions and the presentation of empirical findings

To this end, three key research questions emerged in order to assess how austerity is affecting the nature of welfare-to-work in the North West of England:

- **To what extent is austerity influencing the nature of welfare provision?**
- **What political strategies and their associated material effects are emerging in response to austerity?**
- **How are the least insulated cities acting as locations of co-operation and resistance to such strategies and policy processes?**

Based on these observations it was decided that the most appropriate approach to undertaking this thesis was to employ a system of semi-structured interviews with

critical stakeholders within the welfare-to-work debate in the UK. In this way, the interview process can be used to assess how the reforms to welfare-to-work are being experienced in those towns and cities most exposed to conditions of austerity. The research process will primarily involve stakeholders experiencing and responding to the welfare reform process. Furthermore, the empirics of the thesis will be arranged by addressing each of three contemporary questions which arose in turn with a spatially-orientated undertone focusing on towns and cities of the North West of England, as this is one of the areas hardest hit by the reforms to welfare-to-work across a number of different measures. This links well with the thoughts of Latham et al. (2009:142) who assert the important of cities in the localised realities of how such processes are experienced, suggesting that:

> "cities are sites of networked practices which are distanciated, stretched over miles and miles."

The first empirical chapter will ask whether the nature of the austerity measures implemented by the Coalition Government have been a consequence of economic necessity or politically driven mantra. The second empirical chapter will move on to hone focus on the tactics and strategies of the key stakeholders tasked with conducting, implementing and receiving the effects of (re)new(ed) welfare-to-work processes, because it is these locally derived stakeholders who define the extent of both the impacts and the subsequent responses to austerity and welfare reform. The final empirical chapter attends to the responses of such stakeholders to the impacts of austerity and welfare reform, and in particular, means of overcoming the negative consequences attributed to welfare-to-work programmes under austerity. The importance of unscrambling these interactions and identities within such a process is key, because as Gallagher (2009:7) notes from a post-structuralist perspective, it is essential to understand the importance of "how people are defined in society and how they maintain, resist, subvert or nuance those identities."

4.7 Dissemination of research

The findings of the research will be disseminated to all stakeholders involved in the research process as was promised as an incentive for participating in the research

project. Copies of the findings will be emailed out to all those who participated with the thanks of the researcher. It is important to note that although the research project undertaken is limited in its complexity, its original input enables it to display relevance beyond academic circles. Indeed, the research will potentially have pertinent connotations for social, economic and political processes across a variety of national, regional and local scales. This also highlights the important role that research conducted within universities and other academic institutions has to play within the wider examination of austerity and welfare-to-work. Furthermore, much of the empirical data which will emerge from the research will hopefully contribute to papers published in academic journals and other forms of media.

4.8 Research limitations

A final yet crucial consideration of the methodology process is to recognise the limitations that this research project possesses. The first issue to address is that the research was strongly focused on towns and cities in the North West of England. Whilst it has previously been explained that the region was chosen because it is distinctive in how it has been affected by reforms to welfare in the UK, it does consequently mean that findings may not be entirely reflective of the UK as a whole. Particularly where the nationally-orientated interviewees were concerned, their focus on the UK often meant a lack of specific knowledge about more regional or local situations and in turn the applicability of Coalition austerity and welfare-to-work policies.

Snowball sampling of interview procedures must also be taken into account, as there was potential for participants to be gathered via this method. This would have meant favouring certain individuals or organisations over others and would therefore call into question the objectivity of the research methodology. However, this project involved very minor snowballing of interviewees and so had a negligible effect on the sampling strategy utilised.

It also needs to be noted that at the point where interviews were undertaken, the responses given would have represented the view point of the stakeholder at that moment in time. It should be remembered that this view may have since changed or

altered in some way, in line with policy processes and changes to the socio-economic impacts such policies might have had. Indeed, throughout the period of conducting this thesis, the policy landscape has varied significantly (for instance around Universal Credit), and this has been updated in the thesis as far as possible. The problem occurs where the reality of austerity and welfare-to-work in local and regional scenarios streaks far ahead of the policy documentation which accompanies them. It is therefore important to acknowledge the temporal nature of research which heavily involves policy and the potential issues that this presents.

In a similar way, it must also be considered that participant opinions and responses may be biased, especially those originating at the local level, and are more likely for those situations where negative consequences of austerity and welfare-to-work policies are prevailing. This in turn means that the interpretation of responses given had to be objective (as far as possible) and measured in order to separate fact from opinion.

Although there were therefore a number of limitations present within the process, the methods used enabled the researcher to address the aims of the research effectively. Future study of the topic area could be used to solve some of the limitations encountered, however the current thesis has settled these issues in an appropriate and effective manner.

Chapter 5: Austerity Politics – Economic Necessity or Politically Driven Strategy?

5.1 Introduction - the geo-economics and geopolitics of austerity

The 2010-2015 Coalition Government in the UK implemented a raft of austerity-inspired policies justified by their conviction of an essential requirement to significantly reduce national debt following the 2008-9 global financial crisis. The 2010 Comprehensive Spending Review – where the government set out its spending plans for the next three years – heralded an overall reduction in government spending of £83bn by 2014/15 (HM Treasury, 2013a). All but a few areas of government spending – notably health and education – were spared. Some of the most significant cuts were reserved for the welfare budget, which was earmarked for an £11bn reduction and which has subsequently risen further, such that cuts will reach £18bn by 2014-15 with an additional £4bn to the end of the spending period in 2018 (HM Treasury, 2013b). It quickly became apparent that if some areas of government spending were to be spared while others were targeted for deeper cuts, austerity politics may be an economic necessity post-2008, but where the axe was to fall was an intensely politicised act. This was something that the Chancellor of the Exchequer, George Osborne, himself makes clear:

> "Cutting pensions to pay for working age benefits *is a choice* this government is certainly not prepared to make" (George Osborne, quoted in The Guardian, 2013b:n.p; emphasis added).

Thus whilst the government has indicated that cuts to welfare spending are an economic necessity, there is clearly a level of choice as to where the cuts should fall, which areas of government spending should be cut harder and faster, and ultimately which parts of society should be affected most or least. Such choices clarify that even within the restraints of austerity, there is still a significant level of politically conscious choice available with which to pursue a desired agenda to produce a certain preferred outcome (König, 2015).

Against this backdrop, the Coalition Government – certainly the Conservative element of it – has been quick to point out that welfare spending was out of control under the previous Labour Government. They emphasise that welfare spending was ultimately unsustainable and should therefore be front and centre of the cuts. Speaking about welfare reform, the Prime Minister, David Cameron, claims:

> "There are few more entrenched problems than our out-of-control welfare system and few more daunting challenges than reforming it" (quoted in The Telegraph, 2012c:n.p).

This is despite social security spending accounting for only a tiny fraction of the overall welfare budget. In 2011/12 benefit spending in the UK was £159bn, of which only £4.9bn (3%) was spent on Jobseekers Allowance. By contrast £74.2bn (47%) was spent on pensions (Guardian, 2013a). Yet, the Coalition Government appear to have put forward a convincing argument for reducing spending on social security to all but the bare minimum (Grimshaw and Rubery, 2012).

All major UK political parties agree on the need to reduce debt levels, with cuts to government spending part of this process. The Conservative Party has suggested that reducing national debt forms a key part of their plan to "secure a stronger economy and a better future for Britain" (The Conservative Party, 2014a:n.p), whilst the Liberal Democrats' leader up to the 2015 General Election, Nick Clegg, has also pressed the need to meet the challenge of growing national debt through a balance of tax and spending cuts to achieve a "stronger economy and fairer society" (The Liberal Democrats, 2015a:n.p). In comparison, Labour's former Shadow Chancellor, Ed Balls, has also expressed the importance to "deliver a surplus on the current budget and get the national debt falling in the next Parliament" (The Labour Party, 2014a:n.p). As a result the political debate centres on three key questions:

(i) How deep the cuts need to be?
(ii) How fast the cuts need to be made?
(iii) Where should the cuts be made (which by implication means which part(s) of society and the country should shoulder the biggest burden for cutting the deficit)?

The nature of the debate is one which ebbs and flows according to the geo-economic and geopolitical arguments put forward by the various stakeholders – from the political parties themselves, to political commentators, global institutions (the EU, IMF, World Bank) all the way through to social groups. In crude terms, the Conservative Party rhetoric argues cuts to be an economic necessity, having very little to do with political prerogatives (The Conservative Party, 2014b); while the Labour Party argue that while cuts are necessary economically, they need not be as quick or as deep. The Labour Party leader up until the 2015 General Election, Ed Miliband, suggests that the current austerity politics in the UK reflect the politically motivated aspirations of the Conservative Party rather more than what is economically necessary to rejuvenate the UK economy:

> "They are doing it, not because they have to do it, but because they want to." (The Labour Party, 2014b:n.p)

Similarly, the Liberal Democrats have also expressed concerns that their Coalition partners have attempted to pursue deep and rapid cuts too aggressively, as the now former party leader Nick Clegg noted in his speech to the Liberal Democrat Spring Conference in 2013:

> "Balancing the books is a judgement, not a science. And our plan has always allowed room for manoeuvre. One of the most important things I have learnt in government is this: in a fluid, fast-moving global economic environment, sticking to a plan requires government to be flexible, as well as resolute. Nimble, as well as determined. When economic circumstances around us deteriorated and UK growth forecasts suffered, voices on the right called for us to respond by cutting further and faster. But instead we took the pragmatic choice to extend the deficit reduction timetable" (Clegg, 2013 at the Liberal Democrat Spring Conference).

Allied to this, heightened levels of conditionality applied to the benefits system – in particular that being placed upon those already in employment and in receipt of social security support from the state – and figures suggesting that the Coalition's welfare reform agenda has been more symbolic than saving the vast sums of money the UK Government propose is required to sustain a long-term, balanced and

sustainable recovery, are fuelling the argument that austerity politics are more politically-driven than derived from economic logic (Taylor-Gooby, 2012a).

The first of three empirical chapters, the aim of this chapter is to reveal how austerity politics are influencing (the geography of) welfare provision in the UK. It will examine whether there has been a qualitative shift in the welfare-to-work policy following the 2008-9 financial crisis (Section 5.2); whether the welfare reforms and austerity measures implemented by the UK Coalition Government reflect economic necessity and/or a conscious political strategy (Section 5.3); and if, and where, there are contradictions between the rhetoric and the reality of austerity-inspired welfare-to-work policy strategies (Section 5.4). It will also address the perceptions and attitudes to welfare-to-work which provide the support for government policy rhetoric (Section 5.5). Finally it will relate these findings to broader debates on welfare geographies (Section 5.6).

5.2 The plan: austerity politics - in what sense a (re)new(ed) welfare-to-work discourse?

The Coalition Government was quick to herald its welfare-to-work programme as something qualitatively new and different from that which preceded it (Taylor-Gooby, 2015). Indeed the media have proclaimed the reforms as signalling a complete overhaul of the welfare system (Dwyer and Wright, 2014). That said, the validity of such statements has been challenged with suggestions that far from being new, the Coalition Government's welfare-to-work programme is in fact a continuation, extension and intensification of policy processes already underway (Grimshaw and Rubery, 2012).

Alongside this, very few people disagree that the Welfare State is in need of reform – particularly post-financial crisis. But, as one interviewee put it to me, the way it appears to be being carried out - by effectively marginalising the most exposed members of society, consciously or otherwise - has increasingly come to represent the front line for social and political contest:

> "It appears that some of the most vulnerable, most deprived people … the poorest people in our society are going to be adversely affected, which an

> observer would suggest is only going to increase inequality and unfairness." (Spokesperson, Wirral Borough Council)

In the face of such criticism, government reforms are being accompanied by language aimed at justifying the measures being taken. An agenda of fairness has become a major debating point (Hoggett et al., 2013), one which reverberates around the whole austerity agenda with proclamations of everyone being 'in it together' offset by those arguing 'only those who can afford to pay should be asked to pay', that those with 'the broadest shoulders' should take the biggest burden, and 'the bankers caused it so they should pay for it.' The interviews indicate that far from being 'in it together', the most vulnerable people in society are being affected by austerity politics and welfare reforms. More than this they reveal that this dichotomy is not so clear cut. Rather there is a far more nuanced and politicised disambiguation of the causes and consequences of austerity inspired welfare reform.

Clearly those who are, or become, unemployed in times of recession or stunted post-recession economic recovery are likely to face a heavy burden from welfare reforms (MacLeavy, 2011; Larner et al. 2013), but it is becoming increasingly apparent that other social groups are starting to be affected more so than in previous examples of welfare reforms. Such groups include the disabled, women and young people who are low skilled (Patrick, 2012; Taylor-Gooby, 2015), but now extend to include those who are in work but on low pay and therefore still reliant on state support to a lesser or greater extent (Newman, 2011; Hancock and Mooney, 2012). This point is usefully picked up in Peck's work on neoliberal reforms where he suggests that those not afforded protection by those in power or a significant voting influence electorally are exposed to what he sees as:

> "the default targeting of programs for the poor and marginalised, but also extending into middle-class terrain…where costs can be externalised and services incrementally privatised" (Peck, 2012:631).

Targeting those on the margins of society by applying pressure to move from welfare to work can be seen most clearly through a heightened level of conditionality now being placed on citizens to search for work in return for benefit receipt, and this will be addressed in the next section of the chapter.

5.2.1 (Re)new(ing) conditionality

Under the Coalition Government benefit entitlements have been cut harder in real terms than at any point in the past: £19bn per year by 2014-15, equivalent to £470 for every working age adult in the UK (Beatty and Fothergill, 2013). Allied to this, as one project co-ordinator at a Manchester-based housing and employment charity explains, proving entitlement to those out-of-work benefits has somewhat perversely become a full time occupation in itself:

> "All of a sudden they've got this big commitment. [The government is] going from let's not do anything with you, just come here every fortnight, sign your name and off you pop, to all of a sudden, now you will do everything. It's a full time job for you to find work. And we're getting quite a lot of that now as well, the jobcentre saying well now you must do thirty two hours per week of looking for work." (Project Co-ordinator, Greater Manchester Social Housing Provider)

What this points to is the role of social security changing as a result of austerity politics, with the *erosion* of the safety net which constitutes the very foundation of the Welfare State concept. Whilst the least economically active groups have always been guaranteed a minimum standard of living irrespective of their own socio-economic circumstances (Painter, 2002), the current process of austerity-inspired welfare reform is characterised by a drive to save money by constricting the payment of benefits through additional conditionalities and responsibilities, seemingly wherever this is possible (Standing, 2013b). The deployment of such "technologies of power" to control the conditionality of access to benefits to those traditionally in receipt of out of work and disability benefits is now being applied to those in some form of structured employment (Etherington and Ingold, 2012:33). In this way, whilst the principle of conditionality being applied to benefit receipt is nothing new, it is now being applied more extensively and in a far firmer manner than in the past. This idea is similar to that of Patrick (2012:8) who notes that the:

> "while the Coalition argues that it is developing a distinctive welfare reform agenda … there are in fact marked similarities between the Coalition's approach and its New Labour predecessors. Indeed the Coalition seems to be

> simply extending New Labour's reliance on welfare conditionality and sanctions."

Furthermore, what *is* qualitatively new is the use of in-work conditionality alongside out of work conditionality. In short, the same scrutiny placed on those out of work is now being applied to those in employment but who still rely on some state support.

Alongside in-work conditionality, there has also been a tightening of the remit of testing and sanctioning procedures. This entails people having to justify their entitlement to benefits according to new, stricter, criteria as set out by the Coalition Government:

> "Jobseekers need to justify that they are actually looking for a job. Being unemployed isn't enough. Even in cases where people have paid into the system for twenty years, they are being asked during their contributory period, to justify what they are doing to look for a job. There is a sense that you have a responsibility as an unemployed person to be doing this, this and this, and we're not going to pay you unless you're doing it. So rather than leaving someone for six months to see whether or not they can get a job, they are perhaps being pursued a bit more. They still need to go for interviews and still need to justify it to the jobcentre. And that obviously creates an emphasis on helping yourself." (Spokesperson for a Liverpool Citizens' Advice Bureau (CAB))

The idea of 'helping yourself' is integral to workforce programmes, as is conditionality, but the importance that the Coalition Government has placed on work through its austerity programme is progressively intensifying a conditionality regime which means recipients can now lose some or all of their entitlements for between 4 weeks and 3 years (DWP, 2013b). In fact, it is becoming increasingly difficult to justify entitlement to social security support through a testing system that is increasingly prescribed. This is coupled to new sanctions which punitively force people towards the labour market faster than in the past. Reinforcing the emphasis of responsibility on citizens to search for work in order to gain access to benefits, Peck (2012:632) makes the important point that:

> “austerity is ultimately concerned with offloading costs, displacing responsibility; it is about making *others* pay the price of fiscal retrenchment” (original emphasis).

Thus the social contract which exists between the state and its citizens is changing rapidly such that rights to support are no longer a basic entitlement but a condition of work.

This social contract, which is at the heart of the Welfare State, is now becoming increasingly one sided. Far more importance is being placed on the responsibilities of the citizen through conditionality and this is being coupled with a more minimalist role for the state in welfare provision. As part of this, the government is also redefining the scope of vulnerability, with extreme conditionality requirements being placed not only on those in and out of work, but also on those previously deemed too sick to work or who are disabled:

> “What’s changing is that the extent of conditionality directed at working-age people receiving a whole range of different benefits is being intensified - whether that would be people who were previously on disability benefits who’ve been reassessed under both the Personal Independence Payments, or the existing Employment Support Allowance arrangements, through to lone parents being drawn in to this conditionality regime, through to people in work. So the nature of the contract is changing. It’s being made much more explicit.” (Spokesperson, Centre for Economic and Social Inclusion (CESI))

With this in mind, it appears that the shift towards much more explicit conditionality is not entirely new. Instead it is formalising a process which already existed (Taylor, 2010; Wright, 2012). Despite the Coalition Government suggesting otherwise, this points to the economic situation being used to justify not only a renewing, but a further strengthening, of the social contract which sees responsibility shifting from the state to its citizens (Howell, 2015).

Nevertheless, there is an argument to suggest that using the economic crisis to push through these policy measures has been done without the ramifications of any political fallout which might arise at a more affluent time being thought through:

> “the bottom line for the Welfare State is that in a globalised world its business is to educate, train, incentivise and mobilise the population for paid work – and to do as little as possible beyond that.” (Taylor-Gooby, 2012b:124)

Furthermore, this extension of conditionality seems to be a politically conscious decision as it has drawn people into the welfare-to-work process who had previously been exempt for genuine reasons that are now deemed inadequate because of the prevailing economic conditions, whilst others remain immune who could quite easily fall into the same remit. For example, between October 2008 and March 2013, 980,400 people were found fit for work who were previously exempt (DWP, 2014b). This change appears to create conflict, because whilst people’s welfare needs remain relatively stable, many are now deemed fit to work when in the past they were not. This implies that such a stark difference in benefit eligibility lies with deliberate policy ideals, and so conditionality appears to follow the politically conscious rhetoric set out in Coalition welfare-to-work discourse. However, it should also be remembered that reducing the number of people eligible to claim benefits is not completely based on an ideological rhetoric for a smaller state, but to an extent is also an economic necessity as part of the government’s deficit reduction strategy (Gaffney, 2015).

5.2.2 In-work conditionality: extending welfare-to-work

Whilst those able to work but who are unemployed have been necessarily pushed towards the labour market, the incentivisation created by strict conditionality has been extended to those already in work who are not in full time employment or earning below the threshold amount entitling them to continued state support. This was highlighted by a number of respondents expressing similar concerns to the following example from a Trade Union spokesperson:

> “One part of Universal Credit is something called in-work conditionality. This means, *for the first time ever* by the way, a benefit has had the word conditionality attached to it. So…you’re getting working tax credits because you’re in a job... and you’re doing sixteen hours work. In-work conditionality means that after your sixteen hours you now have to show the jobcentre that

> you are actively looking for more hours" (emphasis added). (Spokesperson for the Union of Shop, Distributive and Allied Workers (USDAW))

Whilst in more prosperous times such a policy might have been met with some resistance, or at the very least questioned, under austerity politics it is proclaimed as a necessary aspect of reducing the budgetary deficit. It cannot be underestimated that the reforms are ushering in a completely new ideology that not only scrutinises those out of work, but also places additional responsibilities on those in work to progress up the income scale to a point where they no longer require state support. This is significant because it presents an entirely new approach to thinking about welfare entitlements. Even those people who are in some form of employment no longer have an automatic right to social security support. As social commentators Dwyer and Wright (2014:31) have portrayed:

> "One of the crucial changes that Universal Credit brings is to open up low-paid insecure and part-time workers and their partners to behavioural conditionality and associated sanctions/fines. This onus on heavy sticks was originally designed to deter so-called 'free loaders' from claiming unemployment benefits when they were not looking for work. Universal Credit now enables this sanction based approach to be applied to in work claimants for the first time. However, the harsh penalties introduced seem potentially counter-productive as a principle for delivering in-work benefits for those who are already fulfilling their work related citizenship obligations."

Similarly Bennett (2012:18) suggests that this latest form of conditionality serves to problematise welfare-to-work policy because:

> "[I]t re-categorises the previously respectable 'deserving' status of low paid workers as 'undeserving'. As such it serves to abolish the distinction between being 'in' and 'out' of work – and also, in theory at least, to extend conditionality – and its associated stigma – to everyone within its range."

Furthermore, this growing conditionality agenda throws up another key issue which had not been apparent before. Whilst the payment of benefits both in and out of work now has a swathe of conditionality attached to it, the heightened significance of means testing over universalism means that there is no longer necessarily an

automatic right to welfare provision (Etherington and Ingold, 2012). This not only means conditionality in justification for meeting the criteria of looking for work, but for the first time, it means justifying that you are genuinely poor enough to be in receipt of benefits. What this means is that whilst in the past it was more of an open and shut case, where falling below a certain income threshold entitled someone to benefits whatever their circumstances, the current means testing regime dictates that being poor is not merely enough. In effect benefits are no longer for the poor, but instead are reserved for poor people actively seeking work, a category of 'work-first welfare':

> "In the rights and responsibilities agenda, the idea that to be in receipt of welfare…you should be actively seeking work and that is part of your responsibilities before you should be claiming any welfare benefit, therefore you should be out there actively seeking work, and that also links to the agenda obviously of the issue of are people on out of work benefits, particularly IB as it was, ESA as it now is, that those people should not be 'parked' on those benefits as might have been the case previously, but they should be tested or whatever to see whether they are claiming the right benefits. So I think there is an issue there that the welfare still has a role, but there's clearly this issue that you should be out there actively helping yourself, helping the country by looking for work etcetera." (Professional Fellow, Institute for Employment Research)

This brings an entirely new definition to the relationship between the state and its citizens, and consequentially how the very nature of dependency is perceived; there is far more emphasis on people having a responsibility to earn welfare support than having a basic entitlement to it. This is clearly a highly politicised aspect of welfare-to-work rhetoric, and far from being economically necessary - only 3% of benefit spending goes on JSA, 3% on IB and 2% on ESA (Guardian, 2013a) - appears to form part of a deliberate push to justify moving people off benefits and away from state support by redefining the criteria for entitlement to social security. This is also portrayed by MacLeavy (2011) who suggests that austerity has provided an opportunity not only for government to legitimately tighten its grip on welfare recipients in terms of pushing them towards the labour market and therefore taking greater responsibility for their own welfare, but has also skewed the relationship

between the state and its citizens in terms of lowering expectations of basic entitlements. She asserts that:

> "the overall objectives of reform - encouraging those who can to work, delivering a simplified system, reducing costs and removing perverse disincentives to paid employment - do not purport to share economic risks across a wider population, redistribute resources over the individual/family lifecycle and between generations and balance taxation between those with and without dependents in the manner of the post-war welfare state. Rather they are designed to reduce the social insurance and protection that was instituted by the Welfare State by forcing a substantial reduction in the numbers of those receiving financial assistance" (MacLeavy, 2011:365).

An additional concern is that this new form of conditionality for those in receipt of in-work benefits now constitutes a greater proportion of spending than that of conditional benefits for the unemployed:

> "[A]t the lower level we're seeing more and more people in receipt of in-work benefits, so having to go through the claim process and everything that goes with it while they're in work…In Greater Manchester…*the welfare spending budget now is greater for in-work benefits than it is on out of work benefits*, so what we've got is the state if you like is propping up low paid work and employers who only want to pay the minimum wage. So that has been a big impact on people I think, and then if the changes to Universal Credit do go through, then there'll be an impact on that group of people who are in work who have conditionality applied to them which will mean that they'll have to repeatedly and consistently show what they've done to try to get more work, higher paid work, better paid work, more hours of work. So they'll have a whole load of hoops that they'll have to jump through to retain any benefits when they're in work" (emphasis added). (Senior Official, Trade Union Congress (TUC) in the North West of England)

Consequently, it appears that the austerity measures are creating conditions whereby conditionality is being transferred from those outside the labour market to those in some form of work, especially those who are low paid and in receipt of significant amounts of income support. This is different from what has been seen in

the past. There now appears to be an increasingly strong focus on not only getting people into a job, but to continually push them to make a commitment to take on more work such that they are gradually entitled to less and less social security support. This principle has been highlighted by McCollum (2012:227), who conveys that:

> "for the changes to the welfare system…to prove effective they need to take place alongside reforms to the precarious and poor quality nature of the jobs that many of those going into work are restricted to."

What this infers is that whilst it is acceptable for governments to continually advocate more work and less reliance on the state, the opportunities must exist in the labour market for people to take on such additional responsibilities to provide for themselves. Without these incentives inevitable tensions are created between state welfare-to-work rhetoric on the one hand, and the neoliberal nature of the labour market on the other.

What is more, in-work conditionality has been accompanied by increased responsibility being placed upon benefit recipients to continue to search for extra hours of work to the point where they are no longer entitled to claim support from the state:

> "I guess primarily since the Coalition has come in, the first aim in many respects has been to try and change the relationship between rights and responsibilities…that there's been a greater tightening of requirements put on people…So, a lot of households will be required to be looking for work, even if they are in work. So there are a lot of conversations there about where the responsibility for, not just getting into work, but moving off benefits as a process, are going to lie." (Research Fellow, Policy Exchange)

This raises the issue that if citizens have additional responsibilities to look for work then the jobs or extra hours must necessarily be available for them to move into. This is invariably creating tensions for both employers and employees given the current economic climate in which suitable vacancies and hours are proving less forthcoming than is required. This mismatch has been highlighted by Hancock and Mooney (2012:4) who have identified that the state has a role to play:

> "in both producing and reproducing inequality in the context of Neoliberalism while also managing the effects of rising inequality in terms of a growing punitiveness and steady drift towards authoritarianism."

What this means is that the state must not contradict itself by applying ever stronger job search criteria to people when the prevailing economic conditions fail to allow for it. The outcome is likely to be greater welfare dependency in future, resulting in a greater cost to the public purse and thus the limited success or even failure of the current raft of welfare-to-work policies aimed at bringing about serious reform in the UK labour market and Welfare State.

5.3 The plan: (re)new(ing) welfare-to-work policies – economically and/or politically driven?

Whilst the UK Government has vociferously argued that their austerity welfare forms a crucial aspect of their deficit reduction plan, there has been significant opposition implying that the economic crisis has provided a basis for pushing through a politically motivated ideology for a smaller state. This section examines the extent to which these welfare-to-work policies are economically or politically driven. It will analyse which groups are being affected, the intensity of the rhetoric being implemented, and the language being utilised to justify the policies being implemented.

5.3.1 Making work pay

The Coalition Government's 'making work pay' rhetoric has become a key part of a drive to get more people into work and thus lower dependency and the overall cost of social security (Morris, 2011). Such an agenda is proving more difficult to achieve however due to its reliance on jobs being available for people to move into. As one interviewee remarked, this is particularly difficult at a time when the economic recovery remains relatively sluggish comparative to the speed with which the government is imposing welfare-to-work reforms:

> “I don’t think anybody argues the fact that the system needs to be simplified, and there needs to be incentives for people to go into work. The problem is that the economy as it is. What chance have people got who have never worked, who have got low attainment in school? ... How they’re expected to get jobs in times like this is beyond me really, and that’s the problem. Welfare reform only really works when there are jobs available. So basically, what they’re doing is they are penalising people on benefits; trying to make it harder to live on benefits, but there’s no other real alternative.” (Senior Official, Knowsley Housing Trust)

In some ways this rhetoric to make work pay is somewhat inevitable; spending reductions are clearly a necessary aspect of austerity and the rebalancing of the economy, however the intensity with which the policy pushes people towards the labour market is most certainly a politically conscious decision (Radice, 2011). Policy is forcing people to search for work in an economic environment which is not suited to the structure of the current UK labour market, but despite a lack of suitable job vacancies for the number of people now being scrutinised, the Coalition Government has continued to pursue its welfare-to-work agenda including greater conditionality and sanctioning for non-compliance.

In the period up to July 2014, 1.01 million people in the UK were claiming JSA compared with 656,000 available job vacancies (ONS, 2014c). This suggests that pushing people towards the labour market under the banner of ‘making work pay’ is widely accepted as being economically necessary rather than being a political choice. However, implementing this policy is becoming increasingly difficult because benefits are being squeezed to encourage people towards a labour market which cannot accommodate them, and to which there is no alternative. This is comparatively noted by Jones (2012:442), when claiming that:

> “the imposition of a ‘one size fits all’ solution inappropriate to the problems of an area of high unemployment…means a catastrophic social fallout which will cost more to put right than the government has ever saved.”

The entire policy rhetoric which the Coalition has developed to ‘make work pay’ is constructed around the idea that someone will always be better off in work than on benefits. The idea is that making the disparities between the financial rewards of

being in work as opposed to being on benefits will adequately incentivise people to actively seek work (Wright, 2012). However, despite this appearing to be a perfectly sensible assumption, according to the experiences of some of the people interviewed, it is far from the reality:

> "It's always a trade off because… you could make work pay for some people at some time, but you're never going to make work pay for everyone at every time. This is simply because any time you provide any sort of transfer you have to take it away again. Either you have to take it away in an abatement, or you have to take it away in higher taxes. So there's no such thing as a disincentive-free Welfare State, unless of course you provide no benefits at all, and no-one's arguing for that! So it's that *choice* about who exactly the system is trying to support into work, and which people might face disincentives. But they are actually a second-order problem and they should really just look after themselves. So that's the *choice* policymakers have to make" (emphasis added). (Senior Official, Think Tank Reform)

Indeed, whilst under the Coalition Government people in work are nearly always better off in work, in a number of instances, particularly for part time and low paid jobs, the incentives are so minimal or even non-existent that it is frequently seen as superfluous to get a job. For example, single people working for the national minimum wage might only take home £62 per week compared to £71 if they were on Jobseekers Allowance (JRF, 2014a). What is more, even realistic financial incentives are now being counterbalanced by the austerity measures being utilised alongside these work incentives, such that for many people any extra income attained by being in employment is lost almost immediately to additional costs of transport and childcare, suggesting that in reality the aims of austerity and making work pay are in conflict and incompatible with one another. As a result policies around making work pay serve only to compound dependency and the lifestyle choices they seek to disenfranchise through a lack of available and suitable forms of employment. Thus it is clear that cuts in the name of austerity do need to be made, but because the structure of the labour market makes it impossible for work to benefit everyone at the same time, the decisions about who benefits and who loses out in this process can be exposed as very much a political preference.

This is eluded to by McCollum (2012), who conveys that the mandate of welfare-to-work policies forcing people towards the labour market is simply not adequate because jobs are frequently short term and low paid, meaning that they often lead to low pay, no pay cycling, in and out of the benefits system. He goes on to add that meaningful, sustained work that incentivises employment over benefits dependency is the only legitimate method of lowering the cost of welfare on the state, employers and individuals. On the other hand, Royston (2012:71) suggests that the more favourable benefit taper rate afforded by Universal Credit "helps to ensure that work pays, even when undertaking a small number of hours."

What has also become apparent from the interviews is that lack of suitable employment opportunities is just as much of a deterrent to work as generous benefit provision:

> "This government thinks that welfare benefits are a hindrance to work. But actually what is a hindrance to work is not having work to go to." (City Councillor in Liverpool)

In effect, whilst it is an economic necessity to get people into work in order to lower the supposed burden of inflated welfare spending, the lack of employment opportunities perhaps creates a greater problem of dependency than receipt of welfare benefits. In this way, the focus of government policy on limiting access to welfare benefits as a way of forcing people into work is unfounded because there are not the jobs for people to take (see ONS, 2014c). Furthermore, it implies that because there is no economic rationale for forcing people towards a labour market which cannot accommodate them, the process of attacking welfare benefits as part of welfare-to-work reforms represents a deliberate political strategy. This rings true with the comments of Clegg (2010:7) who infers that:

> "without even speaking of the social impacts of such limited state support for unemployed people, it is therefore far from clear that Britain's restrictive benefit regime is economically virtuous."

Getting people into work is the linchpin idea behind much of the rhetoric which has been lain out by the Coalition Government. Aspiring to increase the rate of employment in the UK is not new but the Coalition appears to have taken a less

humanistic approach to the job search process. They have been far more concerned with using austerity to get people off benefits rather than finding them a suitable job:

> "It's giving ammunition and power to companies to sanction people off benefits and all the rest of it. It's another way of getting people off benefits which the jobcentre can't do." (Project Co-ordinator, Greater Manchester Social Housing Provider)

What the government rhetoric intends is that by adjusting entitlements and taper rates to favour people in work as opposed to those outside of the labour market, they can create the right incentives to push people into work rather than living comfortable lives on benefits at the expense of the state. This has clear echoes with what the political commentator Wright (2012:320-321) reminds us of:

> "Policymaking is not a neutral process. It is a political process within which agency is exercised in relation to competing interests…Policy-makers have pressed ahead with reforms regardless of evidence that policies are unlikely to have the stated intended effect."

She goes on to state that:

> "this means that welfare reforms have been justified largely in relation to a non-existent problem; only a tiny proportion of people who can work do not do so."

By utilising a regime of conditionality for both those out of work and in work, coupled with punitive sanctioning measures for non-compliance, the intention to move people off benefits and into sustained employment is being sacrificed at the expense of getting people into any job at any wage; suggesting policy is being driven much more by political ideology than economic necessity.

5.3.2 Small state ideology and the neoliberal tendencies of welfare-to-work

Whilst the government and its supporters have argued that achieving a smaller state through austerity is an economic necessity, many others have opposed this idea:

> "I think this government has taken that on another ratchet. Personally I think they want to aim towards a more minimal state, which is quite philosophically different I guess from the Labour view of it, but using similar market processes and really just intensifying it. So we did quite a lot of work on the Open Public Services White Paper that lays out all that they want to change in the relationship between the state and society. I think that is quite different than New Labour and I think they've used the financial crisis as a sort of tool really. They can talk about reducing the deficit and the Big Society and all this, but actually they want the smaller state, because that's what they believe in." (Spokesperson, Social Action and Research Foundation (SARF))

This once again points to a politically conscious strategy to achieve a more minimalist state using the financial crisis as a tool for doing so. In essence the financial crisis has presented the Coalition Government with an opportunity to not only reduce the level of public spending and in turn the deficit, but simultaneously use it to justify reducing the size of the state and altering the nature of the relationship between the state and its citizens (Hamnett, 2014).

In addition, it has moved away from the financial significance of benefits, instead putting considerable emphasis on the opportunities available for people to take responsibility for their own needs through work and to better themselves without financial support from the state:

> "The other fundamental shift has been when they talk about poverty now. Even though they still have a relative income poverty measure, the present government is trying to de-emphasise both that and the importance of money, and emphasise the importance of opportunities, behaviours and the environment that children grow up in - not necessarily focusing on the finance" (Spokesperson, Centre for Research on Social Policy).

By de-emphasising the relevance of the financial aspects of austerity and welfare reform, the government is essentially disregarding the economic prerogative which formed the basis of its policy rhetoric. Dickens indicates that the Coalition realises that meeting poverty targets based on financial foundations laid out by the previous government is unrealistic and so it has shifted away from pure income measures towards improving life chances. He goes on to state that changing the definitions of

poverty is a dangerous political game that the government is playing because “these measures detract from income as an important factor” (2011:17) in both measuring and addressing issues of poverty and dependency.

Another of the major themes to emerge from the interview process is the changing attitude towards the longstanding rights of citizens affected by welfare-to-work:

> “Well exactly, if your responsibility is to take a job then do you have a right to get one? That question I think needs fundamentally addressing...in terms of what constitutes welfare rights. Is someone’s welfare right declining if you keep reducing social security? I think it probably is, but other people might just think well you know, some of the rights of social security are to some modicum of income support, so I don’t know. So rights and responsibilities, I mean it’s an old thing, responsibility is getting stronger; I don’t think people’s rights are getting much better to be honest.” (Researcher, Institute for Public Policy Research (IPPR) North)

What this suggests is a qualitative shift in the attitude and perception of the state towards its citizens because not only is there now far more emphasis being placed on citizen responsibilities to work than their entitlements to support from the Welfare State, but also that the Welfare State is itself now being utilised not as a tool for providing a safety net for those members of society exposed to the negative effects of neoliberal market forces, but for embedding a small state agenda through austerity and welfare-to-work policies (Taylor-Gooby et al., 2014). In essence the attitude has inverted, to a situation where the state has a right to expect citizens to work for welfare support, as opposed to citizens expecting to have an unconditional right to that support. This is highlighted by Dale (2012:17), who suggests this relates to the work of Harvey (2005) in that:

> “the free market utopia that ostensibly defines Neoliberalism in fact functions as ideological cover for a ‘class project’: the drive to restore corporate profit rates at the expense of workers and welfare recipients.”

There is a much higher importance now placed on the responsibility of people to provide for themselves rather than having a right to dependency on the state, with welfare more concerned with the neoliberal prerogative of the market than the needs

of its citizens (Howell, 2015). Such a process consolidates the ideas of Swyngedouw (2011:372), who suggests that the configurations of social aspects of governance:

> "combines a desire to construct politically the market as the preferred social institution of resource mobilisation and allocation…an engineering of the social in the direction of greater individualised responsibility."

Thus the underlying message here is that whilst savings do need to be made as a point of economic necessity, the government is using the opportunity to weave a neoliberal discourse into the fabric of the Welfare State to a greater extent than ever before, and this suggests that welfare-to-work policy and therefore in turn the welfare provision of the state is very much a politically driven process.

It has also become increasingly apparent that unlike previous attempts by governments to implement reforms, where the objective has always been to help people to take responsibility for themselves and their welfare through work, it is appearing increasingly the case that the means testing agenda of the Coalition Government is not seen primarily as a method of helping people into employment, but instead is more about getting people off benefits and onto Jobseekers Allowance:

> "From the government's point of view I think Employment Support Allowance, that's definitely been a winner for them, because people are being registered as fit for work. Whether or not those people then go on to get jobs, I don't know?" (Spokesperson, Blackpool Council)

This appears to be more about actively minimising the size of the state and its role in social security provision, by getting people off benefits, and in particular those on IB and ESA benefits, and onto Jobseekers Allowance which makes them far easier to target and push towards the active labour market, and hence a lesser place for responsibility of the state to support its citizens. In 2008, 2.6m people were claiming sickness benefit, and by August 2010, 900,000 people had been claiming it for more than a decade (DWP, 2014b). Furthermore, there appears to be a deliberate disregard for the needs of the individual in this respect, with the primary concern being getting people off benefits without considering whether a person is actually fit for work, and in fact whether there is a job for them at the end of the process.

Lindsay and Houston (2011) note that the Coalition as well as their Labour predecessors has taken the view of the sickness benefit issue as a problem of employability, motivation and skills amongst a core group of the population. This is despite considerable evidence correlating labour market conditions and the level of IB claims, and therefore shows that there is greater emphasis being placed on the political ideology of reducing the number of benefit claimants than the economic prerogative on which many of the current welfare-to-work policies have been constructed.

Henceforth it does appear that under the banner of austerity the Coalition Government is pursuing this agenda with far more guile and ferocity than has been the case in the past, and whilst lowering the burden of dependency on the state is very much a necessity to reign back welfare spending, the intensity with which the process is being advocated through austerity and welfare-to-work is certainly a politically conscious decision, because the economic rationale to forcing people off benefits when there is no job for them to move into is questionable, and points to a more ideological objective.

5.3.3 Where the cuts fall

Some groups who prior to the recession might have been earmarked to be potentially adversely affected by austerity and cuts to social security and welfare provision have in fact been spared much of the burden of the cuts:

> "The other way of flipping this round is if you want to work out who's not been affected, or who is affected the least, then it's a thing you can always do around the Welfare State which is you can pretty much guarantee that swing voters aren't affected. That's what a lot of this is about. So benefits are being cut but pensions are being protected because many pensioners are important voters. Tax allowances are being changed to benefit people in middle earning jobs, it won't benefit the poorest." (Spokesperson, Centre for Welfare Reform)

Groups such as the elderly and middle income families who could potentially stand to lose out quite heavily under conditions of austerity have suffered comparatively little to other groups. Critically, this is most likely because of the Coalition

Government's determination to protect groups designated as core voters – notably wealthy pensioners (Casebourne, 2010, cited in JRF, 2010:13) – at the same time as meeting pressures of neoliberal forces acting on welfare spending. In short, reforms to welfare policy are not being made purely from the perspective of economic prerogative; the fact that certain groups appear to be being selectively excluded or marginalised by the reforms suggests there is a distinct political aspect to where and when the cuts and reforms are executed. This relates to the ideas of Peck (2010:105) that:

> "Innovations in contemporary statecraft reflect an increasingly ambidextrous relationship between the authoritarian and assistential wings of the state, which between them exert an increasingly tight grip on the regulatory dilemmas of labour market flexibilisation and advanced social marginality."

But what is the rhetoric really about? Is it a genuine attempt by the Coalition Government to help people find a job and better themselves, or is there an alternative motive based on core ideological intentions? When presented with this question, most interviewees contended that the situation constituted a mixture of both scenarios; yes, there is a definite need to save money and social security expenditure is an easy target for cuts in that respect, but the economic downturn and austerity that have followed have equally enabled the Conservatives to push through their idea for a smaller state, and hence has been able to target benefits and people's dependency on them, at the same time as arguing that such a process does not constitute the withdrawal of support to those less well off:

> "I don't think they are inevitable at all, I think there are lots of other things you could have done, and certainly a lot of the cuts are concentrated on the very poorest, so they've been slightly vindictive almost. And so they almost fell into this policy, and having fallen into it…into this rhetoric of we have to cut our way out of this and we must not scare the rich off, they haven't got another story so they're stuck with it." (Professor of Geography Specialising in Austerity and Welfare Reform)

Again this points to a serious contradiction in the government policy rhetoric. Although they have justified reducing the size of the state and its involvement in the provision of social security support, particularly for those out of work, through the

necessity of austerity and spending reductions coupled to the implementation of strict work requirements for benefit entitlements, the reality is that the austerity measures being put in place are far from inevitable, and are increasingly seen to be focused on the poorest and most exposed in society. Indeed the largest cuts to household income since 2010 have been to the poorest 10% of households, which have experienced a 9% drop in already extremely low post-tax annual income. This compares to the richest 10% of households which have only seen a decrease of 3% over the same period (IFS, 2015b). This is particularly pertinent when considering the weakness in the labour market and the lack of available jobs. In essence therefore it is becoming increasingly clear that the removal of support for those out of work juxtaposed with the heightened conditionalities and responsibilities being placed on the unemployed, are part of a wider deliberate political strategy to reduce the burden on the state and the public purse and therefore to get people off benefits wherever possible and take responsibility for their own welfare provision.

In addition, these malevolently selective decisions around spending cuts on the part of the government to enact policy which would mean other sections of society would also lose out further indicates a very deliberate political strategy being developed (Hills, 2011). With core voting groups, notably pensioners, potentially losing out significantly if more wholesale benefit cuts were made, such groups have been almost completely exempt from the cuts so far, leading to the burden falling even more heavily on those people who are more easily targeted under austerity. These are mainly working age people who are unemployed or in low paid, part time work. These issues are confirmed by Taylor (2010) conveying that current welfare-to-work policies are skewing the impacts of cuts and reforms such that the burden is falling disproportionately on those who are most exposed, namely the unemployed, disabled and the working poor.

5.4 Contradictions between the politics and the economics of (re)new(ed) welfare-to-work policies

Since 2010 the Coalition Government has proposed and implemented a raft of welfare-to-work policies which are both qualitatively new as well as a renewal and extension of those that have preceded them. However, a number of clear

contradictions have arisen whereby differences between policy rhetoric and the reality of their introduction have appeared. This section will look to explore such contradictions in further detail, particularly issues around making work pay, Universal Credit, conditionality and benefit eligibility, and what the consequences of such paradoxical processes might hold for the future.

5.4.1 Making work pay (better)

Much of the policy rhetoric is framed around making work pay as a mechanism for incentivising work over benefits. Yet, despite indicating that *everyone* will be better off in work than on benefits, in reality it appears this may not necessarily be the case:

> "Obviously the concern is the transition into work for people is quite a dramatic change. If you're talking about all of a sudden needing childcare, and if you haven't been in work, especially if you're a lone parent households who haven't been in work potentially for a number of years, they may have just finished being on income support. That transition and the cost impact can be quite significant. I guess I don't quite buy the idea that there is a calculator that can tell everyone how much better off they will be because when you take into account things like transport and childcare, you can get some pretty serious calculation differences … I think a lot of the time it will still depend on personal circumstance, I think if you had three young children and you couldn't find a job, people saying I've got to drop my kids off at nine and pick them up at three, now if you can't find a job which kind of fits in the four hours you've got between after travelling, then you've got an issue. And so it's very unlikely even if you insist a family get into work and they manage to, the chances are they are going to have some child care requirements on top of that. So I think in my view is that individual circumstances are far too complex to say all families will be better off in work." (Research Fellow, Policy Exchange)

This is an important temporal consideration, because in the short term the consequences of forcing people towards the labour market, especially those who have been unemployed long term, may have negative consequences. It means that

people may not be better off in work right now, but will eventually reap the rewards at some point in the future. The lack of available jobs, coupled to the limited flexibility within the labour market and the benefits system, means that people may struggle to adapt to the transition to work (Taylor-Gooby et al., 2014). Thus taking on extra work to meet additional conditionality criteria might mean a need for extra child care or additional costs associated with having to pay extra Council Tax and other charges associated with being in work. In this way, the financial incentives of being in work may become extremely diminished or even not existent to the extent that taking on extra work, or perhaps even entering the labour market in the first place provides no additional financial benefits. For example, one member of the family being in work might bring in as little as £73 a week additional income compared with benefits, and that may be even less if extra costs such as transport and child care are factored in (JRF, 2014a). This goes against the suggestions of the sociologist Wacquant (2003) that the combination of market and the state would force people to accept low wage work in poor working conditions. However, it appears that the opposite is in fact occurring if the transition to work is too punitive, with people preferring to remain on benefits because there is no clear advantage of moving into work.

This represents a contradiction with government policy rhetoric, which automatically assumes that the transition into work represents a positive step change towards greater responsibility and henceforth less dependency on the state, and fails to take into consideration the role individual circumstances might play in determining how the advantages of being in work might play out in reality for individuals and families within the benefits system and therefore it may have the total opposite effect and actually encourage dependency (Hirsch, 2013).

Another key trait which has therefore come out of the interviews is that dependency is very much attributable to individual circumstances, especially when it comes to employment, and at present the welfare-to-work policies of the Coalition Government offer relatively poor incentives for people to work more than the sixteen hours needed to be eligible for in work support, and a similar situation exists for earning more than the Income Tax threshold:

> “If you mean by dependency not working at all then certainly helping people to work a few hours a week will in some cases - subject to the work being

> available and appropriate for that person - help them. But once you work a few hours, what the 'new' system says to you if you look at it closely is you don't have much incentive if you've got children to work much more than a few hours, particularly if you have to take on extra child care. And if dependency is also defined as not doing as much work as you might do and having to get large transfers from the state to support that, then there are some situations where it could increase dependency. One of the reasons for that is strangely because it is a much more transparent system. Making it transparent will make it evident to people that by working an extra hour they're not going to be much better off." (Spokesperson, Centre for Welfare Reform)

When factoring in travel and child care costs, or even more simply having to pay more in tax or rent, people generally will not take on the extra burden or stress of additional work if the benefits of doing so do not justify the additional effort on their part. In this way, even if full time employment opportunities with slightly better wages were available in the current climate, it is unlikely people would be inclined to take them unless the financial incentives were significant. This is because the benefit system that the Coalition has presided over only incentivises work to a certain extent, and not universally. What this infers is that there is no economic gain from such policy rhetoric, meaning that the introduction of a make work pay agenda is more politically derived than economically necessary. Furthermore, the changes to welfare-to-work policy have led to the system becoming much more transparent than it has been in the past, meaning that it is now much easier for those both in and out of work and in receipt of some form of benefits to structure their behaviour around maximising their benefit entitlements and not putting themselves in situations where their entitlements could reduce.

The situation is much the same with employers; with the existing structure of the benefits system and the conditionality that is placed on recipients to find additional work, employers are now far more likely to offer vacancies which are low paid and part time, usually sixteen hours, because these are the positions they are most able to fill (Unison, 2013). Social inclusion researchers Tarr and Finn (2012) confirm this when pointing out that government policy works on the basis that people will progressively take on more hours of work or more pay if offered it as a route out of poverty. However, this policy neglects the fact that a large number of people in these

situations would be just over the thresholds, making the incentives minimal or even non-existent, and therefore encouraging the maximisation of benefit entitlement rather than increasing earnings through work.

Hence instead of incentivising individual responsibility and 'helping' them achieve independence (as opposed to forcing them to do so), government policies around the dependence of citizens on the state are instead leading to higher costs of welfare provision which is shifting the nature of dependency and conditionality from Jobseekers Allowance to the active workforce. In so doing it appears to be embedding and socially engineering a stubborn relationship of dependency between the state and its citizens - exactly the opposite of what the rhetoric is aiming to achieve.

5.4.2 Dependency

In addition, what also appears to be taking place is that whilst people are being forced towards the labour market, it does not necessarily lead to a lowering of welfare dependency on the state due to the prevailing socio-economic conditions:

> "I think the worry is that for all the good things it might do to encourage more people into work, and they expect it will be around three hundred thousand more people will move into work as a result of that, it might actually accentuate some of the problems in the lower wage labour market, because it encourages these kind of mini jobs, which are renowned for being very low paid, are dominated by women, and have very poor progression opportunities." (Senior Official, Resolution Foundation)

Whilst the idea to make work pay has solid intellectual foundations for encouraging people into the active labour market, the push to make people take any job at any wage is actually increasing reliance on welfare benefits because many of the jobs involve limited hours or low pay (Taylor-Gooby, 2015). Indeed nearly 80% of all jobs created in the UK between June 2010 and June 2013 were low paid (TUC, 2013). The result is that citizens are still dependent on the state to top up their earnings, or it might even discourage them from taking on employment altogether through fear of losing valuable income from their benefit entitlements. This is confirmed by Oakley

(2012), who notes that whilst increasing numbers of people are finding work, the number of people who are actually becoming less dependent on state benefits is falling at a much lower rate, because the financial gains made by being in employment are far lower than the benefit thresholds set out by the government, who are increasingly having to replace out of work benefits with costly in-work support for those on low incomes, and this situation will continue to intensify in the future under Universal Credit.

This presents a clear contradiction in the policy agenda of the government's welfare-to-work rhetoric; the whole idea of making work pay is to progressively lower the amount of money the government has to pay out in benefits as people replace benefit income with earnings through employment. However with the current frailty in the economy many of the employment opportunities available to those now being forced into the labour market do not adequately replace the income attained through benefits, and so many are still reliant to some extent on benefit income. It also encourages the type of behaviour that government policy has intended to deter in that the potential loss of benefits for working beyond the sixteen hour threshold discourages people to firstly take on any additional hours or even may dissuade benefit recipients from taking a job altogether.

There also appears to be an issue with the way sanctions are being utilised as part of the welfare-to-work rhetoric, with the ability of policies to use work as a route out of poverty proving problematic, as noted by one interviewee:

> "I think it will reduce the number of people [claiming benefits]. If they've not got the appropriate carrot in place, i.e. jobs, I think they're just punitive because I think the whole logic behind having sanctions is that you push people into work. But the work's not there. They keep quoting this [one] million new jobs created, but some of them are reclassified and quite a lot are part time. So the jobs aren't there in the economy and especially up in the North or the North West. So if you're sanctioning people, reducing the amount of people that can claim benefits back, to me the need is still there. It's not like people are being lazy and don't want to work." (Spokesperson, SARF)

This conveys that the Coalition welfare-to-work agenda is actually making people increasingly reliant on state support rather than gradually being weaned off it and

using work as a route out of poverty, and the situation is being made increasingly difficult by the strength of the economy not only offering fewer jobs in the private sector than those numbers lost in the public sector, but also because it is creating the propensity for employers to only offer positions of part time or low paid work to the detriment of the government's welfare policy around dependency on the state; the outcome of all these factors is a continuing cycle of dependency of citizens on state support. This is also suggested by Johnston et al. (2011:352), who note that "employers' may also share an interest in welfare preservation, particularly if they benefit from social programmes which shift employment costs towards the state."

In addition the increasing use of sanctions to push people into work represents a significant policy problem in that the jobs must be available for people to move into. In reality, without those job vacancies being present, the sanctioning of people to lower the level of benefit take up fails to actually reduce the level of need, because people are unable to replace their income from social security with that of paid employment. The inherent contradiction is that without the carrot of employment opportunities matching up smoothly with the stick of benefit sanctions, welfare-to-work policy simply does not work and will not achieve its basic objectives of lowering spending on social security. Newman (2011) conveys that the inappropriate use of sanctions could serve only to push those already marginalised further from the labour market and actually therefore increase reliance on the state.

The other key aspect which has been raised by a number of people interviewed is that one of the areas of entitlement which has seen funding seriously curtailed is care provision:

> "Obviously it's going to reduce the people who can get the benefits. But if people aren't getting those sort of benefits, then what effect it has on carers and the rest of the family, that's the other issue...I know people who give up part time jobs because they need to devote more time to providing care to somebody who previously had care provided by the council. That might be an issue…people might actually withdraw from part time work *because* of that and then they may be involved in getting carers allowances themselves." (Spokesperson, Merseyside Disability Charity)

This elucidates upon the issue of displacement, in that the goal of pushing people into work at the same time as withdrawing benefit entitlements in some instances may have the opposite effect and actually push people out of work and back towards benefit dependency. This therefore means that the political goal of forcing people to take responsibility for their own welfare is leading to the overall economic goal of reducing benefit payments as part of wider deficit reduction being compromised. Grimshaw and Rubery (2012:108) suggest that the agenda to force people into the labour market to minimise the responsibilities of the state may have unintended corollaries elsewhere because:

> "new social needs are emerging that call for more rather than less state intervention at key life transitions as alternative sources of support through employers and families become less reliable."

Yet again therefore the reality of individual circumstances bears little resemblance to the government welfare-to-work rhetoric around means tested benefits and the objectives it is supposed to achieve of lowering dependency through work incentives, because it creates more problems than it solves.

Another contradiction which has presented itself during the interview process is that the welfare-to-work policies the Coalition Government has implemented do not solve the issue of welfare dependency, but instead shift it from one area of the labour market to another:

> "My big worry about Universal Credit is what will be the consequences of making it easier to go in and out of work? How will employers begin to think about how they need to employ people? Will they offer less permanent employment, I presume they might offer more temporary contracts because it's easier to get people come and do temporary work than go back on the benefits system? … So it might break that down a little bit, but it might mean that you pull a lot of people who are in permanent employment out of that and put them in this new grey world of in-between employment. So it might seduce employers who employ people full time to think a little bit more about how they might employ people on a more part time basis and then pick them up and drop them as they use them." (Manager, Voluntary Sector North West)

What is more, pushing people into employment through deliberate welfare-to-work policies is supposed to benefit both the state and the citizen, but the overwhelming presence of low paid employment opportunities suggests a much greater benefit for employers in terms of minimising wage demands.

Far from the policies being utilised beginning to tackle the problems associated with reliance on social security support by actively encouraging people into sustained and worthwhile employment, this suggests they are pushing the problem from one section of benefit recipients to another. This is clearly driven by a political motive to massage the unemployment figures to give their plan credibility, but in reality the problem is simply resurfacing with in-work benefit recipients. Standing (2011:37) conveys that in some circumstances benefits can look more appealing than work:

> "Workfare is intended to override the standard poverty and unemployment traps… [but] poverty and unemployment traps will remain as long as means testing and flexible labour remain … The more wages fall at the lower end of the labour market, the higher the income replacement rate will be if benefits are maintained at adequate levels."

In effect then what the government has attempted to achieve has been trying to restore the importance of individuals taking more responsibility for their own welfare through work incentives and at the same time minimise the level of involvement required by the state acting as a bottomless pit of provision, even if long established support structures within the system have been eroded and citizens are effectively being left to fend for themselves at a time when they frequently need more support from the state than ever before (Newman, 2011). The result is that people are becoming more not less dependent on benefit support, the opposite of what the welfare-to-work rhetoric is intended to achieve.

5.4.3 Contributions

Another key concern that has arisen is that one of the founding principles of social security provision, the idea of it being a contributory system or put more simply, a lifelong social security, has been eroded by the agenda of the Coalition Government:

> “I think it is very clearly about a safety net for people, I think it’s very important that we have a system in place that helps people at the most difficult times of their lives…So for me it’s a whole range of services that we all need, that we all contribute to at different times, and that we all gain a great deal out of. In terms of how things have changed, I think that the welfare system has been under pressure for a long period of time and that’s to do with changes within our society in terms of an ageing population, in terms of people having to make choices about what they want to actually put money into and the difficult choices that are then made if we actually don’t fully fund things, but I think there has been a shift which has happened in terms of a particular focus on welfare and welfare reform” (Manager, Locality, a National Community Network Organisation).

The whole idea of national insurance is that of paying into the system whilst in work, such that in times of hardship where income is reduced, such as is the case for many in the current economic climate, people have rights to protection through the state based on how much they have contributed. Such an idea has been upheld throughout the existence of the Welfare State, but under the present set of welfare-to-work initiatives it is beginning to be undermined by the ferocity of means testing and conditionality. Whilst it could have been foreseen that the long term unemployed and young would have been easy to coerce onto a system of means testing because of their limited contributions, what has been far more surprising are the unforgiving restrictions now being applied to those recently finding themselves out of work following the economic crisis having been in a job for many years and therefore having also contributed a significant amount to the public purse through tax and national insurance over that time.

The final point to make about the contradictory nature of the current welfare-to-work arrangements is that the difference between rhetoric and reality may well be creating problems and difficulties now, but they stand to pose far more consequences in future:

> “The danger is obviously that the more that you move away from a universal Welfare State where everybody has a stake in it, the less acceptance you have of the Welfare State. At different times of their lives most people will be

> net contributors and then net beneficiaries. Then there are some people, they'll contribute more than they benefit and some people will benefit more than they contribute. That's always been live. But as soon as you get to the stage where the people who have been big net contributors and they fall on hard times and they don't get the benefits, I think then you get the less acceptance of the Welfare State. So you know it isn't the Welfare State that it used to be." (Professorial Fellow, Institute of Employment Research)

What this indicates is that post-2008 austerity can be best viewed as a tipping point in the rights and responsibilities argument, in that an individual who has met the requirements to work for their welfare entitlements does not necessarily retain the right to welfare support due to the (re)new(ed) conditionality strategically placed within the welfare system. Indeed, it is becoming increasingly apparent that far from a system of entitlements existing, it is one premised more on scrutiny and suspicion, with claimants having to go to great lengths to justify their entitlements to support regardless of their individual circumstances. In the future this means that people who have contributed significant amounts to the welfare system may become marginalised as they find their entitlement to benefits support curtailed to the same extent as those who have been dependent on benefits their whole lives. Whilst this is grossly contradictory in the fact that work is supposed to pay, not only whilst in a job, but also at times when citizens find themselves unemployed (because working and pay taxes suddenly seems like a miscarriage of justice rather than an advantage over a life on benefits), the real issue here is what the future holds.

There is likely to be much less acceptance of the Welfare State going forward if it fails to deliver on its core values of providing an adequate safety net for those that pay into it in times of need, and so there is likely to be much more resistance to the continual extension and intensification of welfare-to-work policy as citizens begin to disregard the notion that a life in work will pay dividends compared to a life on benefits. This is in accordance with the thoughts of Baggesen Klitgaard and Elmelund-Praestekaer, (2013:1092) who indicate that the general attitude and acceptance of negative changes to welfare provision becomes a lot more pivotal when institutional retrenchment takes place, because it implies that such process merely forms the basis for "significant changes in the organisational structures of

political programmes likely to facilitate Welfare State contraction in the future." However, Vis et al. (2011:241) contest this assertion, by arguing that:

> "the crisis did not undermine public support for the Welfare State's core institutions and the role the institutions play in mitigating the domestic impact of the whims of the global (financial) markets."

5.5 Perceptions: attitudes towards welfare-to-work

Another important factor which has come to prominence from the interview data is the tone of the public reaction to the austerity and the reforms:

> "I think the rhetoric has become stronger against people who do claim benefits. There's more negativity towards it. I think there's probably, for people who aren't impinged on it themselves by worklessness or the need to rely on the Welfare State, less acceptance of it." (Professorial Fellow, Institute of Employment Research).

Previous periods of recession have led to cuts and the inevitable consequences for vulnerable members of society, but there had been a general public perception of feeling pity and sympathy towards those suffering the costs of being marginalised as a result. However, in this instance what has been unusual is the distinct hostility in the general public domain towards people afflicted by the impacts of austerity and the cuts to welfare provision. Whilst in the past people on benefits were deemed to be the deserving poor, necessarily falling back on the safety net provided by the state as a result of an economic downturn and through no fault of their own (Vis et al., 2011), throughout the latest downturn there has been far more hostility and animosity towards such groups and this "deservingness heuristic" (Petersen et al, 2010, cited in Vis et al., 2011:342). This has been fuelled by government rhetoric around fairness, the labelling of benefit claimants as 'scroungers' and 'skivers', and a "strong anti-welfarism" (Mooney, 2011:4), and that those who are out of work are effectively stealing from those who have worked hard and paid into the system all their working lives:

> "So that's what the welfare system was, it was about we paid some money into an account that looked after us, national insurance contributions you know. The clue is in the title. And I think we've gone a long way from that now. The whole kind of rhetoric is that it is somebody stealing. This is somebody taking your money, not that it's a system that supports us all when we need it … but it's a support structure not a punitive structure, and that's what we've gone away from. It's now seen as some kind of punitive structure. It's not an entitlement it's something that you're lucky to get. And that's just not the case. The vast majority of people who at some stage in their life claim benefits have paid into that system far more than they ever claim out of it. That's the reality of it. And we need to just start saying that again, that it's not an eighteen year old with three children living in a council house who is the main beneficiary of that system. It's our people, it's working people who have worked all their lives who are entitled to claim back what they've paid into the system." (Senior Official, TUC in the North West of England)

On this basis it appears that the explicitly negative attitude which has arisen towards social security claimants, particularly those out of work, is the outcome of deliberate political engineering to marginalise and disenfranchise those who are reliant on state support, particularly if they do not have a job (Gregory, 2014).

This is confirmed by the urban geographer Chris Hamnett (2014) who suggests that there is now a clear emphasis on the need for cuts to be shared out across the population, regardless of whether they are in work or depend on benefits in order to live. Similarly, economic theorists Peck and Theodore (2010:171) point out that policymaking, particularly around workfare, has a formatting function to develop:

> "a causal relationship between welfare dependency and worklessness to enforce ideas around the responsibility to find work and the justification of enforcement measures."

However, Royall (2009:117) suggests that this idea brings with it a great deal of complexity, because it has meant that those who have worked for a long period and have only become unemployed for a short period of time are being categorised the same way as people who have been unemployed long term. He notes that "the unemployed themselves have become marginalised actors within the very structures

that act in their name or on their behalf." The indiscriminate nature of the policies now being implemented mean that hard working people who have paid into the system all their working lives and have become unemployed as a result of the current weakness in the economy are finding themselves targeted and scrutinised in the same way as the long term unemployed, and appear to have limited entitlement to welfare support to which they have contributed. Thus it suggests that the Welfare State is now increasingly becoming a selective club for those who are in employment, more another form of what can be classed as 'work-first welfare.'

In addition, there has been a decreased emphasis on the importance of income transfers, with much more impetus being put behind fairness and responsibility:

> "In the last two years the present administration has changed its tone considerably from one that was not that easy to distinguish from the previous one, to one which is a lot more frugal and certainly de-emphasising income transfers. They are also going from having said that what is fair is the most vulnerable should be getting the most protection against the effects of the economic downturn, to one where they actually tried to redefine fairness. The language of fairness now is 'well it's not fair if people who are in work are having real term cuts in their incomes if it doesn't happen to people who are out of work as well.' It's almost saying the poorest should take their fair share of the pain rather than the poorest should be protected from the worst effects." (Spokesperson, Centre for Research in Social Policy)

This implies that many of the reforms and the ideas that they are based upon are a politically conscious decision by the government to impress the need for austerity in the welfare budget. They have been justified through the idea of fairness and playing off a sense of justice for those in work versus those who are not, regardless of their circumstances. This is supported by Hirsch and Valadez (2014) who indicate that there is much more of an emphasis on sharing the burden of austerity amongst those out of work.

Government rhetoric is a very deliberate attack on the most exposed members of society, using the unemployed and disabled as scapegoats (Roulstone, 2015), and in turn the consensus achieved with the wider public to continue pushing through the programme of reforms (British Social Attitudes Survey, 2013). Thus whilst wealthy

bankers in the South East are the root cause of the financial crisis, the emphasis is now on the most vulnerable in society being the problem, especially those in the North and West. This narrative provides the government with an adequate incentive to apply tighter and more punitive scrutiny on people to move them from welfare to work. However, this thought process is rejected by Newman (2011) who argues that the increased use of sanction and compulsion actually serves to only increase social exclusion and therefore push vulnerable citizens further from the labour market and the support services in place. This is the opposite of what the policy intends to achieve.

The key point here then is that welfare reform and the use of welfare-to-work policies more specifically is a political choice which is generally supported both from within the political community and the wider citizenry. However, it should also be noted that such policy rhetoric would be far less likely to come to fruition if the government felt that they did not have the political support behind them. It is for this reason that such groups as the unemployed and in-work poor have been targeted by policy processes as opposed to other groups such as wealthy pensioners and big business who have made up a core component of the Coalition Government's (especially for the Conservatives) voting base and support.

5.6 Summary

This chapter is important because it has explored the question of whether the austerity politics of the Coalition Government have been an economic necessity or more of a politically driven strategy. It has questioned the extent to which welfare-to-work rhetoric has been the same or a renewal of the policies which came before, or whether in fact there has been a qualitative shift towards something entirely new. Crucially, the discussion has also assessed whether the current raft of welfare-to-work policies are premised on a sound economic mandate or whether in fact they have been driven more from a political ideological bearing. It also addressed the contradictions in government welfare-to-work rhetoric that cuts have been made harder and faster than before for political rather than economic reasons.

A number of key points have emerged from the chapter as a result. It appears that for the most part we are seeing a clear *renewal* of policy strategies seen before, with the Coalition Government simply having overlain its own ideas to extend and intensify such policies in the wake of the financial crisis. Indeed the welfare reforms seem to be cutting harder and deeper than ever before, and are more punitive (Taylor-Gooby, 2012a), but are still essentially the same welfare-to-work policy ideals adopted by its predecessors. However, there are certain aspects of its welfare-to-work rhetoric which do not neatly conform to this process, namely in-work conditionality, which appears to be an entirely new conceptual approach to benefit entitlement compared to what has preceded it, and which has created an epilogue of questions requiring more analysis. This could have significant consequences for the future structure of welfare provision in the UK given the level of scrutiny now afforded to those in work as well those who are unemployed (Dwyer and Wright, 2014).

Furthermore, whilst the Coalition Government has vociferously attempted to justify its policies based on the pressing economic need to reduce spending, particularly within the benefits budget, the reality appears to be that much of the rhetoric has been politically driven and heavily influenced by the Conservative element of the government and their desire for a lesser role for the state in providing for its citizens by pushing people towards the labour market. This is at the same time as satisfying the neoliberal prerogatives of market-led growth to which they subscribe (Swyngedouw, 2011; MacLeavy, 2014). There is a particular issue around the idea of making work pay, incentivising work as a more lucrative option than benefits, but it has become clear that this has been more about meeting ideological goals for reducing the number of people in receipt of state support and satisfying core voters than the economic advantages it delivers due to the diminutive amount of money that has actually been saved (MacLeavy, 2011). Such ideological factors not only create contradictions in the objectives of welfare-to-work policy, but they also raise questions about the merits of austerity politics as a whole.

It also found that some of the main issues lay with pushing people back towards the labour market at a time when they may not be ready for work or when the jobs needed to accommodate them simply are not available (McCollum, 2012). It challenged the economic virtues of the policies because their punitive nature, whilst seemingly rhetorically strong, in reality have led to greater dependency on state

support, with the neoliberal fix advocated by the Coalition Government leading to dependency shifting from those out of work to those in generally low paid employment (Newman, 2011; Peck, 2010). Another facet uncovered is a deep-rooted sociological concern for the future of welfare provision in that people who have paid into the system have as little entitlement to claim from it as those who have been labelled and marginalised by the rhetoric for lifelong dependency on it. This lack of discrimination contradicts the dichotomy between those in work and out of work, deserving and undeserving, and has led to people beginning to challenge longstanding perceptions of the Welfare State and its role as a societal safety net to which they are entitled (Bennett, 2012; Hamnett, 2014). In turn this has created more questions about the validity of austerity and welfare-to-work policies of the Coalition Government, and whether the impacts can really be justified by an economic necessity or whether policies have been driven along political lines regardless of the outcomes which have resulted.

The next chapter builds on these ideas and questions by examining the strategies being employed to facilitate, implement and respond to the specific nuances of welfare-to-work policy and the material effects that are coming to the fore as a result.

Chapter 6: ‘Creaming’ and ‘Parking’ – Examining the Strategies and Tactics Employed by the Conductors, Implementers and Recipients of (Re)new(ed) Welfare-To-Work Policies

6.1 Introduction

Building on the findings of the previous chapter, the aim of this chapter is to move beyond the rhetoric of welfare reform under austerity politics to begin examining the material effects which result from it. To achieve this, the chapter examines the roles of the major stakeholders in the welfare reform process:

i) *Conductors* of austerity politics (i.e. the state)
ii) *Implementers* of austerity politics (i.e. private welfare providers and employers)
iii) *Recipients* of austerity politics (i.e. citizens and employees)

Making such distinctions allows the investigation to progress in various chronological stages of a (re)new(ed) policy transfer from central government down to the people who actually experience austerity politics.

This chapter focuses on some of the specific political strategies and agendas which have been pursued by the Coalition Government through austerity. It will assess how these strategies have been played out at national, regional and local scales and how the responses to austerity politics have varied to show how the interactions between all the stakeholders involved in the production and consumption of a (re)new(ed) welfare-to-work discourse have come together to annunciate the political debate geographically. It will argue that the politically driven rhetoric which surrounds current welfare-to-work policies in the UK is subject to the tactics and strategies of key stakeholders in the welfare-to-work process (the conductors, implementers and recipients), which can give rise to contradictions between rhetoric and reality of policy implementation.

The chapter begins by examining how the state as the conductor of austerity policies has been facilitating the development of contradictory and politically driven effects of a (re)new(ed) welfare-to-work agenda (Section 6.2). It will then go on to assess how stakeholders have been going about implementing these politically driven welfare-to-work policies and if the effects are qualitatively new or simply more of the same, and if there are any contradictory issues which have come to the fore (Section 6.3). Section 6.4 then asks if the recipients of such welfare-to-work policies have been experiencing and responding to them on a day to day basis in qualitatively different ways to the past, and again, if any contradictions to experiencing these policies have arisen. The chapter finishes with a brief summary to clarify the key findings elucidated in the chapter around the strategies and tactics that have been utilised by conductors, implementers and recipients of welfare-to-work in the UK and how they inform the intellectual and practical debates about austerity inspired welfare reform (Section 6.5).

6.2 The conductors of welfare-to-work: the changing role of the state

The role of conductors is to devise policy aims and the facilitation of strategies to go about achieving those aims. In this instance, welfare-to-work policies are conducted almost exclusively by the state. It is the role of the government to formulate policy objectives and then act as the facilitating agent in the process of policies being implemented at various scales. The Coalition Government has assumed the position of economic efficiency and a need to use welfare-to-work policies to cut spending and lower the burden on the state of welfare and benefits in particular. It has identified employment (either making work pay or applying conditionalities for unemployment) as the mechanism for achieving this.

6.2.1 Incentivising work

The main strategy which has been used to incentivise work is by encouraging people out of work towards the labour market. This means that it not only reduces the amount necessarily being paid out in terms of social security benefits, but it simultaneously encourages people to take greater responsibility for providing for

themselves and their families (Vis et al., 2011). This is a changing role for the state, because in the past the benefits system has been operated in a much more generous manner, making the incentives to work more negligible. In this way, Coalition policy of ensuring people are better off in work than on benefits has operated around a principle of the average wage of employees in the UK. Thus because the majority of benefit recipients in the system frequently earn well below the average wage, being in work does not necessarily lead to them being substantially better off than on benefits:

> "To work you need to be substantially better off. Now if you think that most people's wages, the wages they could get if they're not on welfare are modest. I mean the idea that something terrible is happening because we're capping benefits at average wages, the vast majority of people on benefits would never get average wage jobs. If you were serious about making work pay, you wouldn't be talking about £25,000 you would be talking about £11,000, and capping benefits there. And this is the difference, the jobs people can get." (Labour MP, Merseyside)

Poorly paid employment essentially removes a large proportion of the incentive involved with being in work as opposed to being unemployed as dependency on social security handouts remains high, and this means that there is still a substantial incentive to remain on benefits (Wright, 2012; Taylor-Gooby, 2014). It also raises the question of whether benefits should be capped at an even lower level than the Coalition Government has intended (£26,000 at present) to create significant enough incentivisation to work.

Although the government's agenda to make work pay has in theory incentivised the move from benefits to the active labour market, the fact that most of the job vacancies available have likely paid well below what might be deemed as the national average has meant that the difference between the rhetoric and the hazy reality of applying it to the labour market has made the intended behavioural change far less likely. In 2013, the number of people in low paid jobs in the UK had reached a record 6.4 million (TUC, 2013). Such an approach fails to consider the whole point of social security in the first place, to supplement the income of those in low paid employment to allow them a greater standard of living than would otherwise be

possible, however the current benefit regime still enables a reasonable standard of living (adequate access to amenities such as food, energy, transport, education and healthcare amongst others) whilst completely reliant on benefits, and so the incentive to find a job is perhaps not as significant as the welfare-to-work rhetoric has intended. This rationale around the incentivisation of work has also been noted by Wright (2012), who suggests that behaviour is heavily controlled by the potential for individual economic gain, and so if the incentives of being in work compared with benefits are not sufficient this encourages less desirable actions on the part of benefit recipients. In this way, the state acts to essentially facilitate the impulse of neoliberal market conditions and push people into low paid work. This marks a decisive change in the role of the state, which previously supplanted benefits dependency in areas of weak economic performance such as the North West of England, with significant investment in the public sector, and in turn, well-paid public sector employment. Such a lesser role for the state has also been identified by Dale (2012:6) who, when analysing the relationship between the state, society and neoliberal market forces, suggests that:

> "the state, deprived of its former regulatory functions and evacuated from substantive economic activity, takes on a narrow, 'night watchman' role as enforcer of the rules of the market."

Another concern raised from the interview process is that Universal Credit will lead to less red tape in the labour market, creating situations where the types of full time employment needed to move away from benefits dependency become less readily available:

> "I think that is part of the challenge of Universal Credit and some of the reforms generally that we've got, there seems to be this issue that people can easily get a few more hours here and there, or can make decisions about doing this or doing that or doing the other. And I don't think that the labour market is strong enough to offer those kinds of opportunities to people. So I'm not really sure how the Universal Credit will pan out in reality. I think the fact that it's operating in a difficult labour market will probably make it, the benefits won't be there to the same extent as you might have thought theoretically had

> it been in a somewhat more what we used to term average labour market context I think." (Professional Fellow, Institute for Employment Research)

In this paradoxical way then rather than encouraging both employers and employees to view work as a route out of poverty and dependency on the state, it simply forces them to articulate their behaviour differently to maximise the amount of state support they can be in receipt of. If anything, rather than lessening the social security burden on the state, Universal Credit actively encourages the cost to be continually increased. It also raises concerns about the increasing frequency of employers to utilise part time and temporary work contracts. Between 2008 and 2013 employment in the UK rose by 328,000, of which 279,000 (85%) were part time jobs taken by women (ONS, 2013b), suggesting that Universal Credit is adding to the difficulties around making work pay instead of promoting and increasing the uptake of suitable employment opportunities. This will have a detrimental effect on the success of welfare-to-work initiatives because earnings are generally too low to have a positive influence on benefit entitlements. However, what might be even more concerning is that it is not just those who have previously been unemployed who are taking up these temporary and part time contracts; people who previously have been working full time and maybe were not in receipt of benefits are now being drawn into the benefits system as an unintended consequence of applying strict welfare-to-work policies in a neoliberal context which has enabled employers in particular to strategically exploit this niche in the market-led welfare-to-work rhetoric of the Coalition Government.

This is not all that surprising according to Taylor-Gooby (2012b:126), because welfare policies are now necessarily being implemented in "a globalised world in which the national state is no longer master of its economy." Therefore the desired outcomes of welfare-to-work policies are far from guaranteed.

In a similar way therefore, whilst on the one hand Universal Credit might simplify the benefits process and clarify the entitlements that people have, therefore enabling them to maximise their income, on the other it can make it obvious to people exactly the financial implications of moving from benefits into work. This is highlighted by Patrick (2012), an expert in social policy, who infers that those in low paid and insecure work may miss out on the supposed rewards of being in employment, and

could even have a negative impact on the quality of life of those who have decided to find a job instead of relying on benefits:

> "a political discourse that simplistically promotes all work, generalising about rewards supposedly available to all those in employment, neglects the reality for badly paid workers who are often simultaneously struggling to remain in employment and to cope with life below the poverty line." (2012:7-8)

If this therefore shows people that the move into the labour market will result in minimal financial gains through lower benefit income, then the process is far less likely to encourage the behavioural change required for people to move into work for only a small additional income.

Universal Credit as a policy appears to be a very deliberate attempt to simplify the benefits system such that it becomes much clearer that people are better off in work, and therefore actively encourages the transition from welfare to work. However there are potential challenges going forward as to what being better off in work actually means.

Whilst many of the political strategies which have been implemented by the Coalition Government have been devised and articulated centrally at the national level, the majority of the effects and impacts of welfare-to-work are emerging at the local level (Lindsay and Houston, 2011). In the case of the effects coming to fruition at the regional level, and what is proving to be particularly pertinent in the North West of England, the agenda to make work pay and encourage people into the labour market appears to have met a number of stumbling blocks related to the *availability* of work within the region:

> "I think the regime of forcing people into lower paid work I suppose, into underemployment, I suppose it will intensify. But the truth is in the North West, in most parts of it, the number of people chasing available work is very high. You know, the number of people who are claiming benefits of published vacancies is a significant mismatch." (Senior Official, Unison North West)

Clearly in order to pursue an active agenda to make work pay and therefore diminish the dependency of citizens on the state for income support, there is a reliance on there being the jobs available for people to move into from the benefits system.

Under the previous Labour Government employment levels were upheld by heavy investment in public services and public sector employment, particularly in areas with weak economies such as the North West of England. More recently under the Coalition Government, the role of the state has changed significantly to one which facilitates employment in the private sector. More specifically, it has seen the transformation of the role of the state from one of a provider of jobs, into one which supplies employees for low paid, private sector jobs through their welfare reform processes. Much of the government's strategy for the social security system is now heavily geared towards both incentivising work compared with a life on benefits and conditionally supporting those people into the workforce through up-skilling and job search activities (Newman, 2011). However if the necessary jobs are not available (there appears to be an increasingly significant mismatch between the number of vacancies and those looking for work) then it becomes increasingly difficult for the Coalition to justify their political strategies. Between April and June 2014, there were 2.08m people unemployed in the UK compared with 653,000 vacancies available which equates to 3.2 people per vacancy (ONS, 2014d). People are being increasingly penalised for being out of work despite their best efforts to find suitable jobs as Newman (2011:99) conveys: "by themselves supply side measures can only have a limited impact on overall employment and unemployment rates."

Indeed in areas such as the North West of England, a significant percentage of both the economy and the overall workforce reside in the public sector. In the first quarter of 2014, 19% of total employment in the North West was in the public sector, equating to 602,000 workers and 11% of all employment in the UK (UK Parliament, 2014). This has meant that the lack of available jobs in the private sector deemed part of the "economic miracle" (Murphy, 2011:32) of the market to compensate for the widespread losses seen in the public sector is making it very difficult to ensure that work will pay for everyone. This also raises the issue of a deeply politicised undertone running through government welfare-to-work policy. For instance, in the North West of England, 83,000 public sector jobs (11.4%) were lost between May 2010 and September 2013, whereas reductions in London and the South East of England were only 9% and 8% respectively (ONS, 2013c). This is supported by the comments of Viebrock and Clasen (2009:306) who question the interpretation of unemployment figures conveying that:

> "lower unemployment rates do not necessarily imply employment growth but possibly rising non-employment, involving high social opportunity costs in terms of productivity losses and additional strains on social security systems."

The changing role of the state towards forced movement of citizens from benefit receipt to the labour market coupled with the lack of suitable job opportunities has made the widespread achievement of the making work pay agenda in the current economic climate far more difficult in reality than those foreseen by the Coalition when they devised their policy strategy. This has been highlighted by the feminist geographer MacLeavy (2012:251) who notes that it is especially pertinent given the "commodification of place" and the continually increasing - rather than decreasing - influence of markets over cities and their social and economic functions (Peck, 2015). The outcome is that areas in the South and East where much of the Conservative electorate reside have seen the advantages of being in work over benefits, at the expense of the areas such as the North West of England which have been the substantial losers of welfare-to-work policy to date under the Coalition.

6.2.2 Encouraging work through conditionality

A further issue which has been raised with the government's welfare-to-work rhetoric is the way in which they have coupled such a policy strategy with punitive sanctioning processes to force people back towards the labour market, especially those who are long term unemployed and so are the most difficult cases to tackle:

> "Well I think certainly they're scaling back the extent of welfare, the safety net if you like, with a view of moving people into work…But I think they're not taking account of geographical differences in the UK really, in that it's alright saying we'll reduce benefits to make work pay where there's work, but in certain parts of the country there isn't that work and then obviously what happens to those people, so Merseyside is a good case in terms of the lack of jobs that there are." (Senior Official, St Helens Metropolitan Borough Council)

The intention is that by using tactics which simultaneously incentivise work and increase the punishments for being unemployed through sanctioning, it should create a significant difference in both the social and financial benefits of being

employed compared to being reliant on social security handouts. This is conveyed by Newman (2011:91) who states that under the current raft of welfare-to-work policies "people in the UK are being mandated into highly conditional welfare-to-work programmes."

However, the outcomes so far indicate that the contrary is happening. This is primarily because the jobs are either not available, so people are being unfairly sanctioned for non-compliance, or because the incentives to be in work are still not sufficient enough, because many of the jobs being created by employers which welfare recipients can take are low paid and temporary (Unison, 2013). So whilst in the short term it may well pay for people to be better off in work, in the longer term they will be at a distinct disadvantage (Taylor-Gooby, 2014). Rose (1991:5) also highlighted this some two decades ago, observing that implementing policy is essentially about "whether programmes can transfer from one place to another; it is not about what politicians think ought to be done." In such a way, it represents a change to the role of the state, from one of long term support towards suitable employment to one of forcing people to take any job at any wage. This therefore fails to reduce the level of dependency as the government has intended because the positives of remaining on benefits outweigh the negatives of moving into work and losing out.

6.3 The implementers of welfare-to-work: welfare providers, employers and the privatisation of welfare services

The next group of stakeholders who need to be explored are the so called implementers. These are those groups who are tasked with actually putting welfare-to-work policy into practice, enforcing it on the ground, and subsequently dealing with the material effects which inevitably arise as a result. In the main implementers are the welfare providers in place at regional and local scales (local authorities, private companies or third sector organisations) and employers. Their role is not to create the welfare policies themselves but to implement them using specific strategies and tactics relevant to the circumstances they are presented with in accordance with the aims and objectives outlined by the conductor – the state. However it is important to highlight that the state devises objectives not only based

on their own ideals, but on the interests of other influential stakeholders in the private sector.

In the case of welfare-to-work policies, the task of the implementing organisations is to impose the work conditionalities devised by the government onto the populations they oversee. This means being proactive in pushing people towards the labour market (offering a 'carrot') at the same time as enforcing sanctions (the 'stick') for non-compliance with welfare-to-work initiatives in order to lower the number and the entitlements of benefit claimants. A similar situation exists with private welfare providers, who are equally employing tactics in search of profit and so are more inclined to focus resources on those closest to the labour market, leaving those most in need and therefore most dependent on benefits to remain in a cycle of dependency. In essence, the neoliberal nature of welfare-to-work policies has led to increasingly contradictory effects on benefits dependency as it has been fed down from central government to those implementing them on the ground.

6.3.1 Implementing work incentives

The widespread scaling back of the public sector has led to a much greater reliance on the private sector to provide jobs within the local economy, often in areas that previously had secure and well-paid jobs. Instead of replacing these directly – indeed in many cases this has not happened at all - private sector employers are frequently offering part time, low paid and temporary labour market opportunities in already vulnerable local economies. This only serves to increase reliance upon the state to top up sub-standard earnings:

> "I think the government would say that the Welfare State as well as doing that safety net bit, it's about encouraging people to help themselves, i.e. encouraging people into work because work is a route out of poverty. Anyway, a lot of that doesn't work even because we're having things like zero hours contracts, minimum wage is not the same as a living wage…So routes into that kind of work will still not be a route out of poverty, it will just be a route into a different kind of benefits dependency." (Manager at a Manchester CAB)

Whilst the intention of welfare-to-work policy is to encourage people to take greater responsibility for themselves through work, the neoliberalised nature of the economy often fails to present adequate opportunities for utilising work as a realistic escape route from poverty and hence dependency on the state, and instead acts to transfer the problem to a different section of the working age population. This is indicated by Oakley (2012) who has noted that incentivising people to take on employment of low wages or low hours will simply transfer dependency to those in work. This supports the work of Andre et al. (2013:12), who argue that:

> "high unemployment often leads to a fall in labour force participation. As job opportunities are scarce, some people find it less attractive to get involved in the labour market."

In such situations whilst government policies may make work pay a little bit for some, for the vast majority the level of dependency has actually increased, and has encouraged those implementing welfare-to-work policies (e.g. employers) to undertake strategies that have acted to simply transfer dependency from out of work reliance to one of in-work dependency, in complete contradiction of government austerity rhetoric and the aims of welfare-to-work policy.

Leading economic geographers Theodore and Peck (2012) agree with this, suggesting that the problems which policymakers come across create the need for compromise between difficult choices and trade-offs of the specific contextual issues arising. In this way then the use of neoliberal welfare-to-work initiatives requires the acceptance that in return for people being pushed off benefits claims, the state must accept that those tasked with implementing policy will take a ruthless approach in their drive for profits in which people will likely be pushed into insufficient forms of employment and embedded deeper in cycles of low or no pay.

An important consequence of welfare reform and welfare-to-work which also needs to be kept in mind is that stakeholders have had to respond to financial restrictions:

> "From the point of view of service provision, there's definitely a risk to income in terms of changes to the Council Tax system. Arrears are going up so we've modelled that we could lose two million pounds in Council Tax because of these changes. Obviously the housing associations have got concerns about

> getting their income streams, and we haven't even moved to direct payments of the Universal Credit yet, but they're already seeing the under occupation penalty." (Senior Official, St Helens Metropolitan Borough Council)

Local authorities are required to cope with substantially lower incomes primarily from the austerity cuts which have been applied by central government, but also due to lower revenue incomes stemming from high unemployment rates and increasing levels of debt brought about by stringent government cuts to public sector funding. This is only going to be accelerated into the future. For example, the spending power of local authorities in England will fall by an average of 2.0% from 2014/15 to 2015/16, amounting to a £44.32 reduction in spending per household per year. However it should also be considered that the reductions for more deprived local authority areas, particularly in the North West, are frequently far more substantial, such as Knowsley (-5.8%), Rochdale (-4.2%) and Blackpool (-4.5%) (DCLG, 2015). Indeed concerns have been raised about the speed at which these cuts are being enforced in the name of cutting deficits (Callinicos, 2012), with the Coalition being accused of "cutting too far and too fast" (Ed Miliband, quoted in The Independent, 2011:n.p) As a result organisations are having to adapt accordingly, deciding what work they can still afford to undertake, as well as how they go about doing it:

> "Well I think this government is trying to clearly signal that it sees the social contract as complete change and very different. I think some of that is if you actually start looking at localism and some of the things that have been said around this, it is about transferring power from central government to local communities and local people, some of which we would look at and say well actually yeah you're right. Central government shouldn't be the one dictating to people how they should actually do things, people can create their own local solutions if you give them the power and the money and the resources to do it….We see it a lot around assets, so is it that local government should own all of these community buildings and dictate what goes on within them etcetera, or should local people have the opportunity to own their local buildings to actually decide themselves what should happen there." (Manager, Locality, a National Community Network Organisation)

In contrast to this, Ross (2009:66) suggests that local organisations, rather than becoming burdened with inefficient resources which serve to debilitate their capacity for providing welfare services at the local level, must accept responsibility for former public welfare assets:

> "[The] downloading of social welfare means that communities are increasingly responsible for their own well-being, and must adequately arrange themselves in order to find solutions to the dissolving Welfare State."

A final adaptation involved with the implementation of welfare-to-work is the upsurge in the use of analysis and quantification of the impacts of welfare reform and austerity:

> "It's become our responsibility. That's a clear impact for us as a local authority. And then there are obviously wider impacts for local residents as well that we're starting to become aware of now. We're working very hard to quantify the impact but we also work with our partners to get the softer, more anecdotal evidence as well." (Spokesperson, Wirral Borough Council)

Previously there had been very little in the way of in situ analysis of the impacts, which made it difficult to efficiently and effectively apply resources to where they could best be used. The huge upheaval which has resulted from the welfare reform process has meant local authorities and other organisations are now undertaking an ongoing analytical approach as necessary to direct resources to where they are needed, but also, and perhaps more importantly considering further cuts to funding to prepare for future demand and needs - most notably Universal Credit - with funding to the voluntary sector expected to be £1.7bn lower in 2017/18 than it was in 2011 (National Council for Voluntary Organisations (NCVO), 2013).

6.3.2 Implementing 'The Work Programme'

The Work Programme is the UK Government's policy to implement a radically new payment by results system, where those furthest from the labour market become valuable assets because they command the highest pay out. Invariably however, Work Programme providers have developed strategies that are intently focused on

making a quick profit and so actively target those people easiest to move into employment:

> "What you see here is this very strange process that has gone on where you see a double privatisation really, where the DWP is contracting out to large private sector organisations like Serco and A4E, and then those organisations are allowed or told to further contract out the grassroots provision of work support to smaller organisations. And both the reports I've read on this subject underline the fact that in the process what happens is a creaming off by the large private provider, who transfers almost all the risk to the small voluntary organisation or small provider." (Spokesperson, Centre for Welfare Reform)

The outcome has been that providers have developed tactics which target those who are either highly skilled or most recently finding themselves unemployed and will therefore have resources dedicated to them as they have realistic prospects of finding work and therefore securing financial gain for the contractor (Wright, 2012). On the flipside, those with a very low skill base or who are long term unemployed or in receipt of long term sickness payments and who require significant individualised support end up being churned in and out of the system in a continuous low pay, no pay cycle, and henceforth have few prospects in the short term of escaping benefits dependency.

Hence whilst the prime Work Programme providers have been putting much of their effort into finding work for the small number of highly employable clients, the rest have been left to either help themselves or have been passed on to local voluntary organisations who have been forced to deal with the fallout of the Work Programme's structural impacts at great time and expense to themselves, but with little commitment required on the part of the prime contractor (Jones, 2012). This is an extension and intensification of previous government work initiatives but contradicts the objectives of government welfare-to-work policies to lower dependency through work, particularly for those furthest from the labour market. This reaffirms how "workfare is not about creating jobs for people that do not have them; it is about creating workers for jobs that nobody wants" (Peck, 2001:6). Indeed, welfare-to-work policies are designed to target those furthest from the labour market and gradually move them into sustainable employment; the Work Programme

represents the latest manifestation of this idea yet the strategies and tactics of those implementing it is serving only to trap such people deeper into the benefits system. Mascini et al. (2009:7), by contrast, suggest that this process is not so straight forward, being heavily dependent on the desired outcomes of the private provider:

> "selection occurs in the implementation of workfare, but which client categories are favoured, depends on the way performance is measured."

A corollary of this is the way in which sanctioning processes appear to be being used as an alternative tool to active job search within the Work Programme by providers. A number of interviewees have proposed from their observations of the Work Programme that sanctioning is being ramped up despite a lack of jobs available to place people in:

> "Means testing is not really fair. It's just a legal way of getting people onto jobseekers so that the jobcentre can be tough on them - bullying them and making them feel uncomfortable - and if they're on jobseekers or ESA then they are eligible for the Work Programme. So I think that the tests aren't going to go anywhere, and the tests are just going to keep chipping away at people and they're just going to keep forcing people onto benefits that they shouldn't necessarily be on."

They went on to provide the following example:

> "I had someone when I was working on the Work Programme at my last company; he had severe mental health issues to the point that he wouldn't even come in the building because it had a revolving door. He came with a support worker, and I had to go downstairs, meet him at the front door. Me and the support worker had to hold a hand each and run through the door with him and pretend that we were going through a time warp. This person had done the tests and was deemed fit to work, because he was physically able. You tell me now, how is somebody with mental health issues that severe, that has a full time support worker, going to get a job?" (Project Co-ordinator, Greater Manchester Social Housing Provider)

This suggests that both the government and the Work Programme providers are well aware that the number of jobs required to place everyone within the programme are

not necessarily available, making the entire sanctioning process futile for a significant proportion of those within the benefits system. Despite this, the number of people being sanctioned because they have wrongly been reassessed as being fit for work continues to increase. In fact, between August 2010 and June 2013, 172,500 disabled people had their fit for work decisions overturned by DWP (Freedom of Information Request by Left Foot Forward, 2014). This has led some respondents to suggest that the Work Programme is more about deliberately getting people off benefits by any means possible. Standing (2011) argues that this is particularly an issue for the disabled and those on long term sick benefits who by being transferred onto different benefits such as ESA suddenly are eligible for sanctions and increased – as well as very deliberate - scrutiny from both public and private contractors to force them towards the labour market, even if such a process is not suitable and almost regardless of the consequences. In comparison, Beatty et al. (2010) imply that the issue is not people's inability to work, but instead is about the disadvantage that many of them experience in the labour market which drives them towards benefits dependency, and which also underlines their eligibility for ESA over disability benefits.

Subsequently the lack of available jobs is once again proving a major sticking point for the success of Coalition Government welfare-to-work policies and the push to lower dependency and the role of the state through welfare-to-work initiatives – particularly concerning those furthest from the labour market. The issue is being exacerbated by those implementing the Work Programme, because their tactics for unscrupulously applying neoliberalised welfare-to-work conditionality to push people off benefits and into the labour market are adding to the problem of benefits dependency rather than reducing it. This is confirmed by Brenner et al. (2010:330) who purvey that the neoliberalisation of the state and therefore welfare:

> "involves the recalibration of institutionalised, collectively binding modes of governance and … state-economy relations, to impose, extend or consolidate, marketised, commodified forms of social life."

However, Dean (2012:354) rejects such an assertion, indicating that "the immanent logic…has more to do with incremental measures to shore up a highly casualised low-wage labour market," or more succinctly, implementing measures to move

people into more sustained employment in order for them to take greater responsibility for their own welfare.

This also raises another interesting issue picked up by the interview process, in that because the funding is not available to provide those additional services needed by the most vulnerable to help them to access the skills and support required for them to enter the active labour market, Work Programme providers are therefore actively incentivised to strategically park such clients or pass them to third sector organisations and jobcentres who “performed better in placing more disadvantaged jobseekers” (Standing, 2011:40), because of the minimal financial reward gained for the significant time and effort which would have to be spent integrating them into the work force. As a result, people are also being passed on (or further subcontracted) to local voluntary and charity organisations who have neither the resources or the time to help a large number of vulnerable people being forced into job search activities (Grimshaw and Rubery, 2012). Thus rather than dependency being lowered, responsibility is simply being transferred away from the central state to the local level and local providers:

> “Well the voluntary sector ends up supplementing their work, you know, the ‘creaming’ and ‘parking’ that goes on. So the creaming is that they obviously take the ones that they can turn around quite quickly that probably would have got a job anyway. It is whatever they can turn around quickly and make the money on. Then the parking is that they either won’t do anything at all in an area if they don’t have any voluntary contracts, they literally park them, or pass them down to voluntary sector organisations and then say well we’ll pay you if you get this person into work.” (Manager, Locality, a National Community Network Organisation)

The way the Work Programme has been created not only produces “creaming” and “parking”, it generates knock-on consequences for other welfare providers, which this interviewee goes on to explain:

> “Then the voluntary sector organisation has a choice. Because the assessment has already been made that this person is going to need long term, intensive care and support - well above what anyone is going to pay you for - so what you then get is the voluntary sector organisation is

> supplementing the profits that are being made by a private company that all come from the public purse. And that's the reality. Because if they do manage to get a person into work, the money that they get, an element of it will be hived off by that private company you know, and we've had some scary statistics where members have analysed the amount they are now getting paid knowing that the company that is doing nothing, the private company, is making about forty per cent profit. It's just doing nothing, it's just passing on the names. So that's all public sector money that is not going towards getting someone into work, but is being taken by an organisation and simply for holding the contract and passing on the details to another organisation to actually deliver the outcome. That's the reality of outsourcing." (Manager, Locality, a National Community Network Organisation)

Thus whilst the entire policy around the Work Programme is geared towards pushing the most difficult clients, the people furthest from the labour market, into sustained employment, such people often fall to the back of the queue as efforts invariably lean towards moving those who are more work-ready into employment.

For example between August-October 2013 and August-October 2014, long term unemployment in the UK fell by 191,000, but still stood at 684,000, which represents 35% of all those unemployed. In the same period the number of people who found work who had been out of employment for less than 12 months fell by 264,000 (ONS, 2014e). This process involves the use of for-profit contractors to carry out the task of lessening the financial burden of benefit claims which is actually having a limited impact as such people are deliberately passed along the chain and therefore fall deeper into the realm of benefits dependency and possibly even sanctioning. This is the opposite of what welfare-to-work rhetoric and the Work Programme which accompanies it has intended. It also alludes to another issue concerning the privatisation of welfare support.

The subcontracting of welfare-to-work services to private contractors and voluntary organisations is the result not only of renewed welfare-to-work, but also a renewed resurgence of neoliberal tendencies and the advocacy of private enterprise over and above that of the state (Callinicos, 2012). In this way welfare-to-work strategies are being subcontracted to be carried out more cheaply and more efficiently in the

private sector (or at the expense of voluntary organisations), and therefore lowering the responsibilities of the state in line with market-led economic policy. This neoliberal tone is confirmed by Newman (2011:93) who suggests that the rolling back of the state in favour of the market has led to "the replacement of welfare with 'workfarist' social policies as a means of releasing productive capacity for private capital accumulation." Whilst this is arguably true, it has also meant that the strategies and tactics being utilised by those charged with implanting welfare-to-work rhetoric have been more concerned with making profit than meeting the specific needs of clients in order to get them into work. The outcome has been that far from a holistic approach to tackling benefits dependency as is needed, private providers have simply attempted to 'cream' off the most employable individuals in order to maximise profits in as short a time as possible, leaving those hardest to place to fall deeper into a cycle of welfare dependency at the mercy of the neoliberal whims of the labour market (Rees et al., 2014). By contrast, MacLeod and Jones (2011:2458) point to the work of Fairbanks (2009), purporting that the transferring of responsibility away from the state actually benefits voluntary organisations because:

> "fiscal retrenchment and purported state withdrawal, rather than hoisting a lumbering state 'off people's backs', can actually precipitate a myriad of biopolitical investments designed to redistribute the disciplines of government *through* the interstices of the social body."

In addition the introduction of the Work Programme has also enabled the government to purposefully challenge the very definition of what it is to be vulnerable in society during a period of austerity, and this is creating challenges for welfare providers:

> "They will also decide who they think is vulnerable. I think what we want to do is match who we consider is vulnerable, because there's going to be an issue where they've got a list and we've got a list and they're not going to marry. So there are some who are going to fall in between and it's how we just pick those people up." (Senior Official, Rochdale Borough Council)

The result is that a significant number of people previously protected within the welfare system are now being found fit for work and are finding themselves being churned through the Work Programme as a result of this redefining of benefit

eligibility (Andre et al., 2013). Often many of these people who were previously deemed unfit for work are now being forced, through implementation strategies, particularly heightened conditionality, to undertake job search activities in return for benefits receipt and so become more marginalised than ever. In addition other providers such as local authorities and voluntary organisations with already overstretched resources have had to pick up the pieces left by the nefarious side effects of the Work Programme agenda by constructing strategies and tactics of how to support those people cut off from the benefits system and help them into sustainable employment. This redefinition represents a clear shift from previous policy, as for the first time some of the most vulnerable members of society are being forced to accommodate work requirements to maintain their benefit entitlements as part of state welfare-to-work policy and the strategies used by welfare providers to implement them. This confirms the thoughts of Ross (2009:65) that:

> "while attempting to disinvest themselves of the responsibility to meet people's social and economic needs, states have engaged individuals, private enterprises, and communities to recreate institutions of social support."

A number of interviewees have questioned the integrity of the welfare-to-work policies in terms of what they are actually trying to achieve through the Work Programme; are they actually attempting to get people into sustained and meaningful employment or are they simply more concerned with getting people off benefits to lessen the pull on the public purse, and instead leave them to take responsibility for themselves:

> "I've just done two years at a prime provider on the Manchester Work Programme and I'll tell you what we were told. These people will either get a job, or you'll get them in to do as much as you can until it gets to the point where they're not even going to bother claiming anymore. You know, that's the ideology behind it; either they get a job or you bully them to the point where they sack off the whole thing." (Project Co-ordinator, Greater Manchester Social Housing Provider)

Whilst the tactics providers have been using often remove people from the benefits system, they do not actually lower dependency. Rather, it lessens the government's accountability for providing for basic every day needs. It appears that the primary

mandate of private Work Programme contractors has been to force people off social security support, regardless of whether they have a job going forward or not. Many people complete the Work Programme and still find themselves without a job, however it must be said that there is a significant incentive for organisations to find jobs for those unemployed because of the payment by results structure which they must adhere to (Oakley, 2012).

Local labour market conditions are also making the task of implementing welfare-to-work policy effectively more difficult, which leads us to question the overall effectiveness of any active labour market policies which are being implemented in the name of austerity, and may actually be having the opposite effect of what the policy intended:

> "Well there are obviously not enough jobs. We've had a look at the Work Programme and a number of people speaking to us, and quite clearly they're not … the number of people they're placing in work just isn't keeping pace with the number of people who are entering the Work Programme at the other end. So that says it all really. I think it's just an obvious point. What you're also finding is increasing numbers of people in zero hours or low hours contracts, and we're looking at a case at the moment where, they're a recruitment agency and they are employing people, seven hundred people on seven hour contracts. Seven hundred! And they're working in factories because they've obviously been placed there. It seems that work placement programme claimants are being referred increasingly into that agency. So you can see what's happening. Some people are coming off the employment register but they are underemployed, and it's a massive national issue, but it's an issue in this city." (City Councillor in Liverpool)

This is proving to be especially prevalent in those towns and cities which already have a history of structural deficiencies in their labour markets over a long period, and is certainly not reducing the level of welfare dependency on the state through effective welfare-to-work policy as anticipated when first devised. For localities within the North West region which have been depressed in recent years as a result of both the impacts of the financial crisis and the subsequent and rather more deliberate austerity protocols implemented by the Coalition Government, this has made the

efficient implementation of Work Programme initiatives and strategies by providers more difficult. Put simply, labour markets formerly reliant on public sector employment now have far fewer suitable private sector vacancies than the number of people in the Work Programme system. Indeed, the latest figures show that between March 2012 and March 2014 employment in the North West increased by an average of 4.3 per cent annually, at the same time that public sector employment fell 5.2 per cent (ONS, 2014f).

Indeed the tactics used to implement the welfare-to-work policies simply transfer dependency from an issue of unemployment to one of underemployment. It also becomes inherent that benefit recipients, especially those in public sector employment "will have no choice but to alter their behaviours as a result of these benefit modifications" (Levine and Scorsone, 2011:212). This adheres to the thoughts of Mascini et al. (2009:6) who suggest that the capacity for the "marketisation of public policy" through the private sector to supply the number of suitable jobs required to move people from out of work towards in-work benefits is far outstripped by the number of people wanting such employment, which is in direct contradiction to the welfare-to-work policies which have been implemented. This inadequacy in the labour market has been picked up by Grimshaw and Rubery (2012:120), who point out that:

> "public sector employment is being portrayed as parasitic on the private sector and taxpayers … [but] a key flaw in this policy framework is that it underestimates the linkages within the UK's mixed economy, such that significant share of private sector (and voluntary sector) business depends on public spending."

A number of interviewees have noted that not only have people previously exempt from the labour market because of their entitlement to disability or sickness benefits been forced to undertake often unsuitable job search activities when they have little prospect of actually getting a job, but equally they are now also susceptible to the conditionality that comes with active labour market policies:

> "What I'm actually seeing is, when I was working on the programme, we knew when we were working with ESA customers that was going to be one of the big things, helping people on ESA to continue their training. But I didn't

> actually realise myself how much the jobcentre was going to target these people. What is shocking to me is the amount of people that are sent down to my place who are long term unemployed - not worked for twenty years, been on ESA for God knows how long, have never been on jobseekers. All of a sudden they're being told right, from next week you're on jobseekers: now you need to do this, you need to do that, you need to get a computer, you need to get a CV together, and if you don't by our next appointment you'll be sanctioned." (Project Co-ordinator, Greater Manchester Social Housing Provider)

It appears that by strategically targeting people who have been moved from disability benefits onto Jobseekers Allowance, those implementing government welfare-to-work ideals can essentially lessen the cost to the public purse as well as people's ability to rely on state support, because it enables them to be forced towards the labour market, and if this is not possible, impose impinging sanctions based on the work-first conditionality agenda which forms a core part of the political consensus for the welfare reforms and in turn the Work Programme, and may even allow them to justify removing people from the benefits system altogether. Between May 2010 and May 2013, over 156,000 fewer people were claiming out of work benefits (DWP, 2013c).

Not only are welfare-to-work policies dependent on jobs being available for people to move into, but are also dependent in the case of in-work conditionality on employers making additional opportunities available to increase the number of working hours to employees:

> "I can say that to you as a trade union person, but what do you think Tesco are going to say to the government; what the hell are you doing here? It would be interesting to see whether they'd actually contacted any employers before to ask them if it was feasible. Often you get incredibly a trade union and an employer saying to a government, where's this come from? I don't have any extra hours to give. Why are all these people suddenly asking? If the jobcentre assessor says to the individual you've not been seeking as many hours as you should, I recommend that the working tax benefit is now

> suspended for three months, the employer will say well that's crazy, I haven't got any hours to give them." (Spokesperson for USDAW)

Henceforth because the economy is still relatively weak as it continues to recover from a period of economic downturn, along with the increasingly neoliberal undertone of welfare-to-work initiatives, not only is the availability of work proving challenging, but also the number of hours worked by those already in employment who fall under the new in-work conditionality mandate. For those who are required to implement such welfare-to-work policies, difficulties are now arising in terms of finding jobs for people who do not have them, but also finding additional working hours for those who already have jobs. To put this in context, in-work conditionality affects approximately 1.2 million people in the UK (Resolution Foundation, 2012). Thus despite employers suggesting that it is not economically viable to make extra hours available to their staff, benefit recipients are continually becoming subject to sanctions for failing to secure additional hours of work which is now a requirement of their benefits conditions, even though it is unrealistic to expect them to do so. In 2013, the number of people in part time employment looking for full time hours had risen to 1.43 million, the highest figure at any point over the past 10 years (New Policy Institute, 2014).

This indicates a significant contradiction in the welfare-to-work rhetoric in that the tactics of the state to reduce their responsibilities by forcing people to take on additional work do not synthesise with the neoliberal principles of a market economy and private business. In turn this means that employers and welfare providers are undertaking strategy processes which are proving relatively unsuccessful in moving people into greater levels of work and therefore a lower reliance on the benefits system, the outcome being that people are being forced to look for work which just is not there or cannot be provided, and in turn leads to them being sanctioned on their benefits entitlements. Focusing on this issue of social inclusion/exclusion, Tarr and Finn (2012:4) confirm the presence of this mismatch by noting that:

> "the move towards a tougher sanctions regime and the introduction of in-work conditionality need to be accompanied by sufficient, appropriate support to help people meet the terms of their entitlement."

6.3.3 Implementing Personal Independence Payments and Disability Living Allowance reforms

A further key aspect of the reforms surrounds the issue of the government agenda to retest disability claimants and the medicalisation of the entire concept of disability, as highlighted by one interview respondent:

> "We're very concerned about DLA being medicalised through PIP. It's going to move into a system very much like ESA, with a medicalised assessment and that hasn't worked at all well to date. So we're quite alarmed that that's going to be quite pessimistic."

They went on to convey that:

> "We think it's going to be quite difficult to make it work in the future. We're also really quite alarmed at what's *a shift* in theoretical understanding of disability through PIP. And what we mean is that at the moment with the disability living allowance, when it was introduced in the nineties it was very much about saying to disabled people, people with disabilities, you are the best judge of your ability to cope or your need for adjustment. We allow you to be the experts of your condition and your living, that's why it's disability living allowance. It was about people saying this is how my disability impacts on my life, and it was judged by how things happen to your life, how you can do things or not do things. This is being rolled back into this medicalised moderate understanding of disability. Doctors, or medical assessors who don't know the person saying we think that somebody with multiple sclerosis will behave or will have the following needs, instead of it being about the person describing their illness for example, and then using a very crude points system to assess that. So that's quite worrying for us." (Senior Official at a Manchester CAB)

It has quickly become clear then as the Coalition Government's welfare reform programme has got into full swing, that many people who have been classed as disabled all their working lives are now being found fit for work by welfare providers as the definition of disability is challenged and questioned as a tactic for pushing such people towards the labour market (Roulstone, 2015). This means that they are

being transferred onto ESA and Jobseekers Allowance and therefore becoming subject to the devices of welfare-to-work conditionality (Lindsay and Houston, 2011). This is something qualitatively new, and in the main is the result of a strategic medicalisation of disability benefits as part of the wider welfare-to-work discourse, whereby people are now being assessed in terms of their physical ability to perform work rather than being based on the symptomatic analysis of the individual (Roulstone, 2015).

The contradictions consequently arise when such people are unable to secure employment of any kind because employers are not willing to take them on due to their lack of capability for doing the job, and so they retain their dependence on the welfare system.

By devising strategies to force people off long term sickness and disability benefits, those implementing welfare-to-work initiatives are not solving the problems of long established sickness benefits claims. Instead they are transferring it from one area of the social security system to another, from disability benefits to those who are dependent on unemployment benefits with little prospect of finding a suitable job. However Mead (2011:281) contests this view, stating that disability benefits recipients are “unemployed rather than truly incapacitated.” This implies such people are in fact making rational decisions to remain in the benefits system, and so their lack of activity in the labour market is a result of individual volition instead of a lack of jobs, and provides justification for the increasingly strict welfare regime being advocated.

The crude medicalised approach now being applied does not effectively consider the conditions of those with less tangible impairments (for example mental health), and therefore does little in the way of reducing spending and welfare dependency amongst a heavily reliant group in society by welfare implementers actively trying to move them into employment they are not capable of undertaking. It may even increase the cost to the state as such decisions are successfully challenged at great expense. This has been noted by Lindsay and Houston (2011), who state that welfare-to-work policies for those claiming disability benefits misunderstand the nature of the unemployment problem because depressed labour markets often do not have jobs suited to workers with health issues, nor do employers seek to employ

them. Furthermore, such people are some of the furthest from the labour market in terms of their work readiness, and so imposing strict conditions upon them to try and force them towards the labour market is the wrong policy in the wrong situation.

In the main then it is those who have been classified as disabled or who are on sickness benefits that appear to be suffering more than others as they are passed as fit for work:

> "The question is where are they going to find the employment? All other things being equal, being someone who has been on incapacity benefits for five years, even if government wasn't saying these are all scroungers, it's not a good advert for a business to take on in times when we know that businesses - even at the best of times - have not taken on disabled people because it'll cost me money, and they'll all be off sick every day and things like that; arguments that we can refute, but that's not the point. The whole business about shifting people from welfare to work and employment, presupposes there is employment for people to go to." (Spokesperson for a Merseyside-Based Disability Charity)

This group in particular have always been at a significant disadvantage when it comes to securing work, but now with the increasingly neoliberalised economic conditions the ability of disabled people to find suitable forms of employment is more difficult than ever, and so the intended mandate to make work pay is not necessarily coming to fruition (Weston, 2012; CAB, 2011). In addition, the situation for such people has been compounded even further by the increasingly strict and medicalised nature of social security entitlements, with many people who have had disability support for a long period of time now being told they are fit for work and have subsequently had their support reduced or removed altogether (Lindsay and Houston, 2011). This medicalisation of security entitlements is something qualitatively new and different from the situation observed under Labour. Furthermore there are wider implications such as those for family members who may have to decide to leave employment themselves to care for a relative who has been unfairly deemed fit for work and has had their support removed. There are 6 million full time carers in the UK, and in 2011 31% had had to give up full time work to take on the care of disabled or sick relatives, up from 17% in 2009 (Carers UK, 2012).

This again points to a serious pit fall in the make work pay policy, because with many people formerly classed as unable to work now being pushed towards finding employment, the suitability of roles within the present labour market make it incredibly difficult to find work of any kind, let alone jobs which would enable such people to earn more than they would have previously received from social security payments. This idea has been picked up on by Wright (2009:206-207) who points out that:

> "welfare-to-work policies may just result in the substitution of one group of disadvantaged workers [the workless] for another in low-paid and unsustainable jobs, cycling between temporary work and claiming benefits."

These sentiments echo the suggestions of Lindsay et al. (2007) that the work first nature of welfare-to-work initiatives leads to claimants being pushed into low paid jobs at the expense of long term skills and personal development.

6.3.4 Implementing housing benefit reforms

The main issue which has arisen and has been readily picked up on by a large number of the interview participants regards the Spare Room Subsidy, or Bedroom Tax, and that with the policy being devised and implemented centrally it fails to account for differences in the housing structure at the local level:

> "The problem we've got is that we're over-subscribed with three bed family accommodation, but then we've got three bed multi's that we've had to re-designate into two beds…At any one time we might have a hundred odd one or two bed flats available; well if we've got three thousand people wanting to move, it doesn't stack up does it? So we're trying to target it as best we can, so the cases where they're in high arrears, or they're under-occupied by two or more rooms. They're the ones we're really trying to target, because they're the ones where it's financially a real hit for them to stay where they are." (Senior Official, Knowsley Housing Trust)

They went on to convey that:

> “We had three thousand people hit by the Bedroom Tax. So in that group the people that suffer the most tend to be single people in a three bed house, with two spare rooms who are just on Jobseekers Allowance. They’ve got no kids, no other income, so they’ve got a weekly income in the region of seventy pounds per week. They’ve got a weekly shortfall of twenty odd pounds on average per week, and it’s very difficult to see how people in those circumstances can budget and actually afford it.” (Senior Official, Knowsley Housing Trust)

Whilst central government has demanded that people are moved to more suitable properties, local authorities and housing associations are struggling to deliver appropriate housing and therefore many people are unable to move even if they want to, and end up being fined largely through no fault of their own (JRF, 2014b).

This represents a major contradiction to government policy, because the conditionality being applied centrally does not necessarily correlate with the regional and local scales and the nuances in housing provision which exist. In turn the extra financial cost of being stuck in particular accommodation and unable to move may almost totally negate the benefits achieved by moving into work from benefits, or even taking on further hours on top of those already being worked. This conflictual situation created by a neoliberal welfare-to-work agenda juxtaposed to much more localised social challenges and costs can be viewed conceptually because:

> “Neoliberalism itself is a form of contentious politics, conceived and operationalised in an antagonistic relationship to various (local) others, such as specific forms of the developmental or Keynesian state (Peck et al. 2010:104).

In this way therefore the Coalition Government agenda to make work pay may in fact be contradicted by other policy strategies. Despite this, the objective must always be to focus efforts on getting people into work, because that is the only way to lower dependency as benefit withdrawal and sanctioning starts to bite. However in many instances in towns and cities in the North West, this is proving to be more difficult than it seems, since depressed local labour markets make it increasingly difficult to find the type of work needed to escape this cycle of dependency and its associated problems (Wright, 2012).

The other significant housing benefit reform which has also affected Universal Credit is the change to Council Tax benefits. In the past people in receipt of social security benefits have not had to pay anything towards the cost of their Council Tax bill, however now this has changed and whilst dependent on individual circumstances, everyone now has a responsibility to pay at least a small proportion of their Council Tax bill which is adding complexity to the system:

> "We're quantifying groups and numbers of people, so we know for example the changes to Council Tax benefit, there's a whole group of primarily low income working age people, low income workers, who are now liable for an element of their Council Tax that they wouldn't have been before. So they're clearly feeling that impact. They're having to pay at least maybe twenty two pounds per week extra I think in some cases, but they wouldn't have had to pay before. They are primarily working people as well, not just unemployed people." (Spokesperson, Wirral Borough Council)

Whilst for the majority of people, paying Council Tax is just another household cost that has to be accounted for, for those people on the breadline on the lowest rung of the ladder in society, particularly those in low paid work, suddenly being expected to pay part of this cost, however small, is an extra cost that they cannot afford. For example, apart from pensioners, every ratepayer in Manchester will eventually be required to make at least a 15% contribution to their Council Tax bill, (around £137 per year) (Manchester Evening News, 2013). In addition, for many it becomes an issue of survival, from which they must find tactics and strategies to overcome the additional financial stress; their income is already so heavily squeezed that they are constantly having to make difficult decisions between paying bills and putting food on the table or heating and lighting their home. In this way therefore, many people see Council Tax as an important but not essential expenditure, and often decide to put it off in order meet more essential needs and instead run up debts and arrears to the local authority. Thus this actually inserts an extra layer of complexity into the system as noted by Sam Royston (2012:81), Head of Policy and Public Affairs at the Children's Society, who suggests that:

> "Universal Credit is built on two major principles of simplifying the welfare system and introducing clear work incentives. The localisation of Council Tax

> Benefit undermines this, adding a second means test into the welfare system, and potentially recreating the extremely high marginal deduction rates it was designed to avoid."

This is a significant shift in the nature of social security provision; for the first time even those dependent on benefits are being forced to take responsibility and shoulder the burden for their own welfare as a way of encouraging them to look for work (or more hours and better forms of employment) and lower reliance on the state. Yet the reduction in cost to the state is minimal, with people instead getting into significant arrears to avoid paying Council Tax requirements instead of taking responsibility to lower their reliance on the benefits system.

6.4 The recipients of welfare-to-work: people and employees on the receiving end of austerity-fuelled welfare reforms

The final and arguably most important stakeholders are the recipients of welfare-to-work policies and who are the people that directly experience and respond to their material effects. In the instance of welfare-to-work policy, these are citizens in direct receipt of benefit support, be they entirely dependent on the state (unemployed or unfit for work) or in some form of employment (employees). The role of recipients is that of consumers of welfare-to-work rhetoric; they have little or no say in how it is planned or implemented, but instead have influence over the way they choose to experience such policies by way of tactics and strategies for dealing with the material effects of incentivised work and conditions of benefit receipt.

6.4.1 Experiencing work incentivisation policies

Another issue that has arisen during the interview process is that there are a number of flaws with a strategy of making work pay which lead to a significant minority of the working age population actually being better off on benefits long term:

> "I think those people who are in that low pay, no pay cycle are going to be the other group that are really affected by it. What's the point of taking a job for a couple of weeks if you're going to have complete disruption to your benefits?

> It's supposed to be a seamless system; it isn't seamless. I think those people will be … less inclined if you know that by taking a job for two weeks you're not going to get your benefits for another four at the end of it." (Senior Official, TUC in the North West of England)

As a consequence it is becoming apparent that people are being forced to take on work that is of a part time or fixed-term capacity, and in turn claimants try and avoid such jobs in favour of full time employment, which is becoming less frequent. By 2013, 5% of benefits claimants were being sanctioned each month for failing to do enough to look for work (DWP, 2013b). Between October 2012, when the stricter sanctions were introduced up until June 2013, 0.58 million adverse sanctions were made (where recipients have their benefit income reduced or stopped for a set period of time), around 70,000 per month. Furthermore, the number of sanctions stood at 0.9 million for the whole of 2013 and 0.6 million for 2014, or 75,000 and 50,000 per month respectively (DWP, 2015b). Comparing these figures with those in the past, between April 2000 and October 2012 under the old system, 4.97 million adverse sanctions were made, around 30,000 per month (DWP, 2013b), which is significantly lower than the number under the Coalition. The result, as noted by Standing (2011:36), is that "the situation is such that growing numbers of people cannot afford to take low-paid casual or part-time jobs and have little motivation to look for them." The use of these tactics to retain benefits income is because whilst the short term positives of being in work represent a step forward from income received on benefits, in the slightly longer term they represent a loss of income between the time the employment ends and the process of reapplying for benefits, within which people are likely to be worse off than they were under their original benefit status – therefore contradicting the aims of the welfare-to-work rhetoric to make work pay.

6.4.2 Experiencing the implementation of Universal Credit

Whilst at a central level Universal Credit appears to be fairly straightforward in terms of what it intends to achieve, at the regional and local scales the rhetoric does not necessarily fit with the prevailing socio-economic conditions:

> "Well it does because it might make them say well all this thing about being better off in work; I'm in work and I've just lost a load of money. I'm quitting, stuff it, just let me go and watch Jeremy Kyle." (Spokesperson, USDAW)

Where the jobs and the employment opportunities do not exist it makes it very difficult to incentivise work sufficiently as people end up being sanctioned through no fault of their own and as a result they may perceive it to be a better option to remain on or go back to benefits rather than lose out financially for being in work (McCollum, 2012). The result is greater rather than less dependency, and the very deliberate political strategy to lower dependency through work is actually having a contradictory effect because people develop strategies to maximise income, and in the long term taking a part time or temporary job may lead to a loss of income compared to remaining on benefits.

In this way therefore, Universal Credit is intended to simplify the benefits system and subsequently encourage work over dependency; however it also creates the issue of people becoming more creative in maximising their benefit entitlements:

> "I think it compounds the problems of the Welfare State by increasing employer and employee dependency because people do actually fit their actions to maximise benefits. And that's as true of employers as employees. I mean they divide their jobs up so that people can get [the] maximum what was tax credit and will be Universal Credit. It's a deeply destructive force." (Labour MP, Merseyside)

It appears then that this behavioural aspect of Universal Credit adds a different layer to the matrix of benefit claiming which already existed under the previous system; rather than those implementing welfare-to-work strategies applying policies to encourage people into the labour market and lower the burden on the state, many are actually using the simplified system to maximise benefit entitlements both for the recipients and from their own perspective. Indeed private welfare providers, employers and even local authorities gain from maximising citizens welfare entitlements, because it provides justification for promoting low paid employment and therefore low input of resources on their part. As Johnston et al. (2011:352) have suggested:

> "'employers' may also share an interest in welfare preservation, particularly if they benefit from social programmes which shift employment costs towards the state."

Furthermore, local authorities are using tactics to work with citizens to maximise entitlements in order to negate some of the adverse material effects of welfare-to-work policies because it eases the strain on their already overstretched resources for welfare support and provision.

In addition, the successful implementation of Universal Credit is dependent on the symmetry between the work citizens are expected to accept and what they are actually willing to take on:

> "[Universal Credit] should always make work pay a little bit. There's then a question about how much does work have to pay to make it worthwhile … If you move towards the kind of basic income thing that Universal Credit moves us towards, that's much less of an issue because people can decide for themselves what the minimum is that they are willing to work for." (Professor of Geography Specialising in Austerity and Welfare Reform)

Thus whilst welfare-to-work policy is designed to place incentives on work by elucidating its rewards over living on benefits, what policy makers have somewhat failed to grasp is that making work pay will not automatically incentivise it above and beyond benefits receipt. Indeed the Coalition Government appears to have assumed that even if Universal Credit shows that work pays only a little bit it will encourage people to move into the labour market, whereas the real question is how much does work have to pay for people to view it as more worthwhile than living on benefits. Similarly, if the jobs on offer are part time, low paid and involve poor working conditions, then the advantages of employment might be so minimal that people do not view it as worth their time or effort to undertake, particularly if their quality of life is going to suffer as a consequence. As a result, those in receipt of benefits will tailor their strategies and tactics around balancing income from work and benefits based on their opinions of whether the financial gains of work are large enough for them to alter their behaviours and lifestyles to which they have become accustomed on benefits.

This is considered by the public policy academic Wright (2012), who suggests that the behaviours and actions of those in receipt of benefits are moulded by the social environments with which they interact, and therefore are a response to the nefarious effects of welfare-to-work policies. This then presents a major challenge to the welfare-to-work policies of the Coalition Government because the neoliberal nature of the labour market is serving to muffle the ability of work to lower benefits dependency due to the minimal financial gain which low paid work provides. Thus whilst work is supposed to encourage people to become more responsible for their own welfare, it is in many cases having the opposite effect, as people begin to display more resistance to finding work because of nominal gains and even potential drawbacks that it presents.

Despite this, a number of interviewees have contended that far from encouraging greater individual responsibility, the structure of Universal Credit will have the contradictory effect of actually increasing dependency on the state, both from the perspective of the employer and the employee:

> "It [the Welfare State] creates a dependency based amongst individuals and families, but also amongst employers. I mean we've moved from what were family income supplements costing four million a year to tax credit proposals which cost twenty six billion a year. And the employers have shaped their labour market to maximise their effect on welfare, and it works for employers and it works for individuals, deeply distorting the effects." (Labour MP, Merseyside)

In a similar guise to the issues around making work pay, the simplification of the benefits roll not only clarifies the income disparities between employment and benefits, but just as crucially it increases the transparency of the benefit taper rates both to employers and employees. In this way then, both parties can therefore produce tactics and strategies to ensure maximum benefit entitlements for welfare recipients, which limit the effectiveness of welfare-to-work policy in lowering dependency on the state. Indeed, people will actively seek to work the exact hours needed to maximise their benefit income (currently around 16 hours per week (CAB, 2014)), beyond which they would begin to lose benefits and therefore the incentives of working extra. In a similar way, the more entitlements employees have to support

from the state, the less requirement on the employer to provide that extra provision in the form of pensions and wages. Many therefore create jobs to this effect, with much more emphasis being placed on part time and temporary, low paid work which provides greater profit margins to satisfy their neoliberal ideals (MacLeavy, 2014).

Such a situation subsequently deeply opposes the objectives of welfare-to-work policy to move people into work as a strategy for lessening benefits claims. In contrast, Universal Credit might actually have the opposite effect and encourage people to increase their benefits claims because the boundaries of income entitlements have become a lot clearer under the agenda of welfare reform. This endorses the thoughts of Theodore and Peck (2011) who convey that the local level is crucial for people devising coping strategies to neoliberal welfare policies, because it is the level at which stakeholders reside and experience the changes, and so naturally is the place where solutions to reforms can be devised.

Welfare-to-work policy aimed at the disabled is also taking a distinctly more medicalised approach, particularly where the need to justify their entitlements is becoming much more pronounced:

> "I see a very similar thing happening sometimes with welfare policies, so I spoke about the changes to ESA and making people justify that they are sick a lot more than they used to do." (Volunteer at a Liverpool CAB)

Indeed it is those with mental health issues who, according to a number of interviews, appear to be losing out the most, because not only are such disabled people now being asked to justify that they are searching for work having been moved to ESA, in many instances they are also now being asked to justify that they have a genuine disability that prevents them from working. This is becoming increasingly difficult to achieve, and many of these people are finding themselves losing their entitlements or being sanctioned as a consequence. On top of that, prevailing disabilities are frequently preventing people devising ways of finding work in their local labour market despite the government insisting that they are fit to do so. This justification is qualitatively different from earlier policies, as the disabled have previously been largely exempt from such scrutiny, which they are now being hit with greater ferocity than at any other time under the Welfare State. Henceforth there has been a significant mismatch between the objectives of Coalition Government rhetoric

and the reality of moving disability claimants onto job search status in regional and local economies. This is because it only leads to their benefits dependency being transferred from outside to inside the labour market. Conditionality for the disabled is "the wrong prescription" and a "blunt instrument" (Patrick, 2011:275) because people with disabilities are not making a choice to exclude themselves from the labour market, but instead are constrained by social barriers to their participation in work.

The conditionality being applied to those out of work is increased under Universal Credit so that people are actively forced to search for work and take responsibility for their own welfare, and equally the punishments for not doing so reflect the government's intention that nobody should be better off on benefits than in work, an idea which has been at the forefront of Coalition Government work initiatives for a long time, but which has never effectively been translated from rhetoric to reality:

> "Universal Credit will be an enormous change. Universal Credit should in theory change household and people's decision making to some extent. The rhetoric is it's not now worth being on benefits for those people who might have said well if I'm better off on benefits than going into a temporary job that is poor working conditions, poor wages." (Professional Fellow, Institute for Employment Research)

In this way the incentives of moving into work become far more appealing to people who have previously been content to live on benefits. This has also been noted by Newman (2011:95) who points out that:

> "there is no evidence of a 'culture of worklessness'; most people want to work but in so far as people choose a life on benefits it is often a rational decision to avoid debt and harming the quality of their family life."

Whilst Universal Credit does not completely solve the issues of low pay and poor benefit incentives for being in work, it should in the longer term make a life without employment far less appealing by making much clearer definitions between social security entitlements in and out of work. However, it may not have the desired effect on changing people's attitude to work and benefits, as it clarifies exactly how much work will actually pay. In this regard Universal Credit effectively contradicts its intended objectives, because benefits recipients will realise that there is virtually no

advantage of taking a job with poor wages and poor working conditions, and therefore may actually be persuaded to find strategies to remain on the benefits roll and in turn protect their standard of living.

A further aspect of the issues arising from the changes to Council Tax benefits relates to the changes to non-dependent charges, which are now allocated at a flat rate to all Council Tax payments. This is a charge levied on households with more than one person in work in the household, who is therefore earning an income and thus is eligible for Council Tax charges (Manchester City Council, 2014):

> "They've flattened out the non-dependent charges so it's just a flat rate of sixty five pounds per month. That's a good change because that will benefit some people, and it will encourage families to stay together for longer, because we find non-dependent charges a right headache to be honest, especially as the son or daughter gets to earning a little bit more and you get the higher charges. They never want to pay it, and then we have to pursue the tenant. Whereas I think if it's a flat rate, because we've actually had people openly say well I'll have to tell him to quit his job then or move out. And then he gets a flat on his own and can't manage or he quits his job. So at least now there's an incentive for them to carry on working, contributing towards the household, you know, they stay at home that little bit longer which makes them a little bit more prepared for their own place once they get it. So I think that's a positive move, the flattening of the non-dependent charges." (Senior Official, Knowsley Housing Trust)

This was echoed by one interview respondent:

> "I think there might be big changes that are linked to some of those changes in the housing benefits and how they stack up against other things, and people's decision making about do they stay, do they move, what's the housing stock like and all of that. That all does impinge on people's decisions about work, issues about benefits, issues about whether if people move out of an area do they have the support networks that enable them to go into work and stay in work." (Professional Fellow, Institute for Employment Research)

In this way households who are in receipt of benefits and who might have a lodger or a child in full time work, have actually benefitted from the policy change, because in the past the more individuals in a household have earned, the greater the non-dependent charges have grown (Beatty and Fothergill, 2013). The insertion of a flat rate tax now however, means that the policy actively encourages people to not only get a job, but search for additional hours once in that job, in essence in line with the make work pay objective of the Coalition Government's welfare-to-work agenda and encouraging less dependency on state support because in this instance being in work will actually prove advantageous. This therefore represents a good example of where deliberate government policy measures have changed the existing rhetoric around making work pay in a way that makes it more extensive and intense than in the past and, as indicated by one author, develops a "discourse of culpability" amongst those in the benefits system (Wright, 2012:318), and therefore effective in altering behaviour and strategies towards securing income through employment.

6.5 Summary

This chapter has investigated how the theory being presented around (re)new(ed) welfare-to-work policy is being played out in reality in the UK, and the material effects and contradictions which are coming to fruition as result of their implementation. In this regard, the chapter has analysed the tactics and strategies being utilised by key stakeholders in the transfer of welfare-to-work policy from central government down to those who experience it at the local level. This is important because it argues that the politically driven rhetoric of welfare-to-work has become subject to tactics and strategies of key stakeholders, which has in turn given rise to a number of contradictions between the rhetoric and reality of policy implementation in terms of the material effects emerging.

The first stakeholder analysed was the conductor of welfare-to-work policy, which in this instance is the state. The state has developed a number of strategies based around making work pay and conditionality for benefits recipients both in and out of work. These operate on the premise that people can be incentivised into taking employment by highlighting the rewards of being in work compared to living on benefits, coupled with strict sanctions and conditionalities for non-compliance with

welfare-to-work initiatives (Standing, 2011). What is crucial is that this has created a number of contradictory material effects to the desired objectives of welfare reform due to the lack of suitable jobs and unnecessary conditionalities applied to those who cannot find work, such that benefits dependency and the burden on the state is sustained or maybe even increased. This therefore brings into question the viability of some of these strategies for achieving welfare-to-work objectives.

The next stakeholders assessed were the implementers of welfare-to-work policy, which are local welfare providers (local authorities and private enterprises) and employers. These stakeholders incorporate particular tactics and strategies into their work to implement welfare-to-work policies passed down from the state. These include processes to force people into the labour market and imposing sanctions for non-compliance, as well as supporting those furthest from the labour market to move away from benefits dependency. From the perspective of employers, it has also involved strategies for creating work opportunities for people to move into, but which also maximises profitability in a neoliberal market place (Johnston et al., 2011). As with the state, these stakeholder strategies and tactics are interesting because they have also led to a number of material effects which contradict the welfare-to-work agenda. These include forcing people into low paid and unsuitable work, sanctioning people for non-compliance with unrealistic job search targets, ‘creaming’ and ‘parking’ respective benefits recipients to maximise profits (Wright, 2012:321), and in terms of employers manipulating the labour market to suit their position in the welfare reform process in order to maximise income. The outcome has been continued reliance on state support, often when dependency has been transferred from those outside of employment to those in low paid work, which itself raises questions about the nature of welfare-to-work policy for those already in some form of employment.

The final stakeholders evaluated were the recipients of welfare-to-work policy, the claimants themselves who experience the material effects on a day to day basis. It became clear that recipients of welfare-to-work policies have developed their own tactics and strategies to counteract the divisive nature of the neoliberal tendencies which are embedded within them in order to maximise their income by balancing the trade-off between work and benefits receipt (Standing, 2011). Such techniques involve working the exact number of hours to entitle them to the highest level of

benefit income, and only taking on work which leaves them in a significantly better financial position than they would otherwise be on benefits. As a result there are a number of contradictory material effects which again begin to come to the fore, including welfare-to-work policy actually disincentivising work, significant arrears in the payment of rent and Council Tax, and the transfer of dependency from disability benefits to the unemployed and even to those in work who are under some form of welfare conditionality. It has therefore been important to critique these tactics and strategies to determine the effectiveness of welfare-to-work policies. Furthermore, such effects have led to the adoption of specific behaviours to resist and adapt to the welfare-to-work policies being implemented in order to maintain income and an expected standard of living, which themselves have received scant attention in the wider academic literature so far, and which raise additional questions about the nature of the Coalition Government welfare-to-work agenda.

The final empirical chapter will subsequently focus more succinctly on the reactions and responses of the organisations and individuals experiencing welfare reform at the regional and local levels. In particular it will focus on forms of co-operation and resistance to welfare-to-work policy implementation and how this dictates the success or failure of such policies from the perspectives of the key stakeholders involved in the process. It will also concentrate on the coping strategies which are being adopted to overcome and mitigate the impacts of austerity and welfare reform for such stakeholders.

Chapter 7: Co-operation, Conversion and Coping Strategies – Responding to Austerity and Welfare-To-Work

7.1 Introduction

Whilst the current raft of welfare-to-work policy is geared towards encouraging benefits recipients to move into the labour market and thereby lower their dependency on the state to sustain an acceptable standard of living (MacLeavy, 2011), the material effects of these policies have had a number of somewhat contradictory and unexpected effects due to the politicised and arguably mis-guided nature of the initiatives that have been implemented. As a result, the co-operative and resistive behaviours and responses which have come to the fore from those people and organisations which are actually experiencing the effects are frequently intended to mitigate and overcome the negative impacts on income and living standards (Thane, 2012; Taylor-Gooby, 2012b). However these responses might themselves contradict those expected from the implementation of a stricter welfare-to-work regime as the attractions of work coupled to the threats of conditionality and loss of income make those experiencing welfare reform more reluctant to respond to the policy rhetoric by finding work (Lowndes and Pratchett, 2012), and might even be qualitatively different to anything seen before.

Consequently, it is vital to explore these interesting and potentially unique responses to the material effects of welfare reform - and in particular welfare-to-work initiatives - and discover exactly how specific forms of behaviour emerge from these policy effects. Responses can vary widely, so the chapter will reflect the range of responses which are emerging from three groups: citizens, employees and organisations. Section 7.2 addresses adaptations emerging in response to austerity politics. Section 7.3 goes on to look at forms of innovation coming to fruition in response to austerity politics. Sections 7.4 and 7.5 tackle issues around co-operation and resistance to austerity politics, and finally Section 7.6 examines the coping strategies which are developing as a result of these austerity politics being implemented.

As with the previous chapters, making distinctions between the types of material effects and the subsequent responses will enable clearer distinctions to be made about the transfer of (re)new(ed) welfare-to-work policy from central government into the reality of its implementation locally.

The chapter argues that the current welfare-to-work rhetoric is politically driven and therefore has created specific material effects which themselves are unintended and perhaps even contradictory to the objectives of austerity politics and welfare reform. Henceforth, these material effects have led to particular responses by those experiencing the reforms in order to mitigate the negative effects on income and living standards, but which might also contradict the intended behavioural outcomes of welfare-to-work and be qualitatively different to those which have preceded them.

7.2 Adaptation: responding to welfare-to-work

The first response to the material effects of welfare reform has been from stakeholders adapting to changes. Austerity reforms to welfare policy necessarily requires behavioural change both as a response to government rules but also to mitigate, where possible, the negative effects. This adaptation to austerity, and the inherent need to adjust to a situation of less resources coupled with meeting a wider range of needs, has taken different forms for the different stakeholder groups dealing with specific issues and quandaries relating to their role in welfare-to-work policy processes locally.

7.2.1 Financial adaptations

An intended consequence of public austerity is that locally oriented welfare-to-work initiatives are still being undertaken despite less money being available for doing them. This ensures people are still being pushed towards the labour market at the same time as spending is being reduced. Austerity politics are forcing many local authorities to think more critically about how they do things, which in some instances the impacts arguably have had a positive effect:

> "It's created the need for some change in delivery and sometimes in quite sensible ways. So I think when local authorities are sharing back office functions, we're not doing that at the moment, but that's sensible I think. I was just having a conversation with someone who was in the Labour administration in the 1980s, and they said they never really tackled the central costs of local authorities for example, whose central charges are ridiculous when you look at things; what it costs to run buildings and the recharges and some of that doesn't really make sense to be honest. So some things you can look at and say ok some things need to change, and I think you're looking at different innovative ways of delivering things and delivering things in a slightly better way." (City Councillor in Liverpool)

Voluntary organisations now play a more central role in the welfare provision process due to their ability to provide services more cheaply and effectively compared to the local authority through the use of volunteers and their presence in the local community (Lowndes and Pratchett, 2012). This not only involves the outsourcing of services to voluntary organisations, but potentially also transferring assets over to them as well. This gives voluntary organisations some more autonomy than has been the case previously. This process has also been identified by Peck (2012:647) because:

> "austerity urbanism is driving new waves of institutional transformation, governance reform and public-service restructuring – with long-run and potentially path-changing consequences for both its winners and losers."

Again this is exactly what Coalition Government rhetoric has intended, as it lowers the costs of welfare-to-work provision for local government as well as reducing their responsibility for getting people into work. Whilst this response is also not qualitatively different from before, the current austerity politics being employed means such responses are far more extensive and hard-hitting than have been utilised in the past. However, whilst the process of outsourcing welfare-to-work support to the third sector might well lead to better and more efficient results, it still fails to completely satisfy the issue that to some extent dependency is being transferred from one stakeholder to another, and actually does little to resolve the perceived problem which government policies are supposed to address.

There have also been a number of ways in which private and third sector organisations have had to adapt simultaneously to the increased level of need and the increasing scarcity of resources in response to welfare reform. The first to note is the greater financial burden being placed on such organisations, particularly where responsibility for implementing welfare-to-work and the responses which result are being transferred away from the state towards alternative providers:

> "We've had some brilliant experiences of asset transfer, that's where a local authority will transfer the assets for each building or land or huge assets and things, to local communities who then decide themselves what they want to happen there and run it. And they can be quite creative. But we have a big issue around is it an asset or is it a liability - the dumping of expensive buildings that are an important local resource but are never going to fully be able to cover their own costs. But then being given to local communities who find what they've got is a huge liability that they actually can't provide the level of services that used to be provided there, but also just can't afford the building." (Manager, Locality, a National Community Network Organisation)

The research reveals that local government appears most ready to hand over assets which are the highest cost to run, and transfer the most challenging welfare-to-work cases and hence the cost to those in the private sector. This creates policy contradictions because despite the costs of welfare-to-work being alleviated from the responsibility of the state, they are simply being transferred to other organisations which, especially in the case of voluntary organisations, have far fewer resources to undertake welfare-to-work initiatives. The result is that rather than the most challenging individuals being moved off benefits and into work, inevitably the high cost of supporting these people through the employment process means they are parked or passed on. In short, their dependency moves from one stakeholder to another.

Another significant challenge facing many providers is a cut in government funding either partially, or in many cases, completely. As a result they have to find alternative funding streams or cease operating:

> "I think the biggest effect I'm seeing is that because not only is that having an effect on the people that it's happening to, it's also having a knock on effect

> on projects like ours, who are spending a lot of money trying to help people into employment, but our resources are now being used up trying to help people keep their homes and stuff like that." (Project Co-ordinator, Greater Manchester Social Housing Provider)

Many organisations involved in welfare-to-work delivery are facing extremely challenging situations in terms of what is expected from them and the need to adapt to such situations (Lowndes and McCaughie, 2013). This is particularly acute in the least insulated cities where the greatest proportions of people becoming increasingly dependent on welfare service provision are located (Smith, 2010).

Whilst local organisations and groups can create solutions if they are given the resources through a community-led response to austerity and cuts, more often than not they are being overlooked in favour of a for-profit private company imposing an external plan of action which may not work sustainably for that locality (Dodds and Paskins, 2011). The result is that as local voluntary organisations start to disappear because of a lack of funding, while the capacity of a local area to support people to enter the labour market or to claim their entitlements from the state is being reduced and placed under increasing restraint (TUC, 2014a). This creates an unintended consequence of government policy because whilst the agenda has been to reduce public expenditure on welfare-to-work by transferring the cost away from the state, the removal of funding to third sector parties coupled with the increased requirement to mitigate the impacts of other austerity measures and welfare reform initiatives is making it more difficult than ever for voluntary organisations to support claimants into work and thereby lower dependency. This is supported by Dale (2012:20) who states that "the market system...negates authentic individual responsibility, undermines community and systematically obstructs moral behaviour", suggesting that the shift to a market-driven welfare agenda is presenting considerable difficulties for those organisations attempting to adapt to the impacts of welfare reform they are facing.

7.2.2 Adaptation to Universal Credit: digital-by-default

Another major adaptation that is going to be required is the response to the digital agenda pursued by the Coalition Government. With Universal Credit coming in

before the end of the 2010-2015 parliament, the Coalition Government has insisted that all social security claims be made through their online system, which has so far been problematic in how it has transferred down to the local level (TUC, 2014b). Local authorities and benefit claimants alike have had to adapt significantly, with organisations having to provide the services needed for people to be able to carry out welfare-to-work requirements in order to receive their entitlements:

> "We've also monitored how many people are coming into our library services and our information services. Again you can see the spikes of when the Council Tax bills went out and when the reminders went out." (Senior Official, Rochdale Borough Council)

It is often the most vulnerable members of society who are applying for this social security support, so this agenda poses a number of issues, including the level of IT literacy, access to computers, and that staff at the organisations themselves may not be adequately trained to assist when problems arise. The system has therefore made it more difficult to claim benefits rather than simplifying the systems as the policy supposes, partly because the widespread adaptation required to deliver the support services needed is struggling to keep pace with the growth in demand for accessibility and support in such matters (Lowndes and McCaughie, 2013).

Indeed, the interview responses indicate that many organisations are responding by increasing the number of staff they have dealing with specifically targeted impacts of welfare-to-work policies to meet with the increased level of demand and dependency on support services, at a time when they can barely afford the running costs of their existing operations. Again this is only going to increase with 85% of voluntary organisations expecting demand for services to rise by 2018, and 35% expecting a dramatic rise (Guardian Voluntary Network Survey, 2013). Far from simplifying the transition from welfare to work, austerity politics are actually increasing the cost and complexity for local authorities who are having to dedicate additional resources to assist people to negotiate the nuances of the latest welfare-to-work protocols. This process is also qualitatively different from before because the effects of welfare-to-work are forcing local authorities to adapt by being more proactive in supporting people through the updated welfare-to-work process. Shaw (2012:1) recognises this

agency and resilience of assigning extra resources to meeting welfare reform objectives, suggesting that:

> "local authorities – and crucially, local communities, have enhanced their adaptive capacity, within existing powers and responsibilities…some of the barriers to the development of resilient local, government are not insurmountable, and can be overcome by 'digging deep' to draw upon existing resources and capabilities, promoting a strategic approach to risk, exhibiting greater ambition and imagination, and creating space for local communities to develop their own resilience."

7.2.3 Adapting to advice and support demands

Increasing demand for advice and support services has meant that additional staffing has also been a requirement for organisations dealing with the fall out of changes to the financial responsibilities of those not just out of work but also those who are employed but are on low pay, particularly the latest requirements for at least partial payments of Council Tax and housing payments:

> "Particularly with debt clients, we will see them trying to juggle their food budget, their household shopping budget and things like that in order to pay their creditors. That's one of the reasons money advice works, because you turn that on its head, you do a budget for their day to day living costs without getting them further into debt, and then you deal with the debt from what they've got left. The problem we are seeing now is not debt, is not money advice needs, it's the fact people haven't got enough money to live on in the first place." (Manager at a Manchester CAB)

In the past, local authorities paid these housing and Council Tax costs for those who simply could not afford to pay because of their marginal income. However, as part of the Coalition Government agenda to force people back towards the labour market, everyone is required to contribute at least a small proportion of these costs from their income (LGA, 2012). For those on very low incomes, this has put immense strain on their finances, which were already at a bare minimum, and so many voluntary organisations are now finding themselves inundated with demand for advice and

support around financial issues such as debt, fines and court summons. This is of course on top of the advice and support these organisations are having to provide for new welfare-to-work initiatives now in place. Furthermore, these requirements to contribute for those on low pay or who are even unemployed present problems to organisations across the public, private and third sectors, because people's inability or even refusal to pay these newly levied fees leaves organisational income streams threatened which in turn threatens further their ability to deliver welfare-to-work services already being squeezed by the government's austerity mandate. Such difficulties in the face of a relentless neoliberal policy agenda correlate with the ideas of Peck (2010:109) that:

> "exploiting crisis conditions … has been a hallmark of neoliberal governance, even if the recent pattern of events seems less and less like a 'normal crisis.'"

These organisations are therefore having to adapt to the changes confronting them and provide the support and advice needed in order to help people to manage their finances in a way whereby they can pay such fees in order to avoid being marginalised from society further, but also to protect their funding streams to deliver core services. Such threats make supporting people into the labour market increasingly difficult, as resources are increasingly stretched whilst demand continues to grow.

Another important consideration is the need for organisations to respond effectively to the challenge of support and advice provision, especially for people in the towns and cities least insulated from the changes, and is becoming a pivotal factor in the ability of organisations to mitigate and manage the impacts of the reforms and cuts effectively:

> "The individual clients that we work with, they were struggling anyway, and when you hear on the news they might talk about "the Bedroom Tax" or they might talk about the fact that everybody's now got to pay something towards their Council Tax, or they might talk about disability living allowance reform, it makes it sound like separate changes and they're not. Our clients are being clobbered with multiple changes all at once. And the reason I think they are invidious is that most of these are retrospective, particularly the housing benefit ones. So you can have been put in a house and told you were entitled

> to that house and that amount of space, and now all of a sudden you're not." (Manager at a Manchester CAB)

Organisations with a history of providing advice and support to benefits recipients have had to adapt to a changing landscape of demand. Whilst in the past support might have concerned people's entitlements and how they could apply for benefits, more recently the focus has had to shift towards encouraging people into work, as well as emphasis on financial responsibility and budgeting, issues around the Bedroom Tax or digitalisation, or even educating people about less desirable forms of income such as loan sharks and pay day loan companies. In fact the reforms to welfare-to-work have often had such wide ranging impacts for those affected that many organisations are being presented with people with multiple problems who are much more difficult to assist and who require significantly more contact time and resources to deal with. This fits with the view of Lang (2012:286) who suggests that:

> "it is more a question of adapting than of responding to new conditions. It is, further, a question of governance, highlighting the diffuse and multi-actor character of decision making beyond state-centred hierarchical forms of government."

Whilst some of these issues might have been expected, the interviews suggest what is unexpected is the sheer volume of demand coming as a consequence of the cuts and reforms. The Coalition Government has been concerned with encouraging people to take responsibility for their welfare through work, but the multiplicity of issues being observed appear more about finding alternative ways of accessing benefits and sustaining their dependency on the state rather than accepting responsibility to find work. Even though people living on benefits doing all they can to maintain their benefit entitlements is nothing new, what is qualitatively different are the wide variety of issues which are coming to the fore and the amount of emphasis placed on adapting to a greater need for advice and support services by organisations assisting them. This also raises questions about the scope of welfare service delivery to meet the rapidly growing demands of welfare-to-work. The increase in demand subsequently requires the need to take on extra capacity into advice and support services, as well as providing training for existing staff to be able to provide advice:

> “I know of two or three groups that used to have employed workers who are now only using volunteers. I think that might be the case with more in the future. And of course once you get below a certain minimum it’s difficult to then get back up again because if you have volunteers you may not have the capacity to react quickly when there is something happening.” (Spokesperson, Merseyside Disability Charity)

Adapting in this way serves to make existing provision more relevant and improves the overall response organisations are able to provide in the face of an increased volume of need where the challenges of welfare-to-work requirements being faced are greater and so the contact time required with clients is longer (Peck and Theodore, 2015). However, in reality such adaptations are proving difficult for many as a result of austerity, particularly in the North West which previously had extensive funding from the state, with many now having to utilise volunteers more effectively to cope with the growing demand, as well as tapping into alternative sources of support and provision which already exist in the private and third sectors.

Again this adaptation to additional demand aligns with the government ideals around austerity - that scarcer resources are being channelled more effectively into areas of delivering welfare-to-work reforms where they are needed most and are put to best use. This means that people and organisations are automatically expected to do more work to deal with the impacts of austerity and reform, at the same time that these policies and ideas are diminishing the resources available to carry out such work (doing more with less). Unlike the past where resources were plentiful and demand for these services remained relatively low in comparison to today, under the policies implemented by the Coalition Government there is now unprecedented demand for support services which have limited resources available to be channelled into, and so requires a level of adaptation not seen before under the Welfare State, particularly the reliance on voluntary provision to bolster professional welfare-to-work structures (Hills, 2011; Lowndes and McCaughie, 2013).

In this way then processes of adaptation mean applying resources most effectively to the contexts with which they are presented, as Lang (2012:288) has also surmised:

> “Processes of governance must be seen as social processes that are shaped in a tense atmosphere of structure and agency…Such selection processes

> depend on individual, collective, or organisational capacities based on the ability to learn from applied strategies and tactics in other contexts and at previous times."

Lowndes and Pratchett (2012:25) on the other hand see this necessity to innovate more as an opportunity for local governance structures, because despite fewer resources it provides the opportunity to put their own blueprint on the way they feel welfare services should be prioritised and delivered:

> "While local authorities and other bodies at the local level will not have as much money, they will have much greater freedom to be innovative in the way that they work with and support their communities."

Besides adapting to the challenges, success can only be achieved if more is done with less. It relies on people and organisations having to be innovative in how they respond to the reforms and cuts that are being made.

7.3 Doing more with less: innovation in response to welfare-to-work

Another set of important responses sees stakeholders innovating to overcome the difficulties arising from austerity measures. One important innovation is the need to support frontline staff in delivering the support and advice services on a daily basis by supplementing their work with background and planning processes around welfare-to-work protocols:

> "We've been planning for this for a very long time. We first drew up a strategy for financial inclusion in 2008, and then revised it about eighteen months ago, and the action plans have been in place then for over eighteen months now. So all the planning and things, as much as we could have done without the government deciding to change things at the last minute, a lot of the preparation and planning is already underway. Even for Universal Credit, it came out that it was going to be digital by default, claims online, so they need a bank account, there are not going to be Post Office accounts. The amount of work we've been doing…trying to make sure that every customer has got a

> bank account. So there's always stuff going on to help and prepare customers." (Senior Official, Calico, a Burnley-Based Housing Association)

This planning process involves the upskilling of both staff and clients in readiness for the digital-by-default claiming system and the change to monthly budgeting, e-learning projects for people to improve their employability, raising awareness of the welfare reforms and their impacts on individuals and communities through information on websites, letters, or even going out and doing roadshows. It also requires frontline staff to work in a more flexible and proactive manner. What we are seeing is staff, instead of waiting for clients to come to them for the support they need, attempting to mitigate the negative aspects of the reform process at an early stage by actively going out and contacting those who are going to be affected and assist them in doing all that they can to prepare for the changes (Hartfree, 2014). This is qualitatively different from before when actions have been reactive rather than proactive.

Austerity politics and constrained resources means pre-emptive and proactive responses are necessary to support people through welfare-to-work and into employment. It is hard not to escape the feeling that in welfare-to-work discourses, "resilience planning should…be concerned with re-establishing natural market orders through planning and policy-making" (Raco and Street, 2011:5). That said, despite the prudence of such responses, local authorities are once again faced with the same significant policy contradiction in that local authorities can provide as much support and advice, and undertake as much planning as they want, but if the jobs are not available for people to move into then the response is a futile attempt to move people off benefits and in turn dependency on the state (Taylor-Gooby et al., 2014). Stated bluntly, the success of one policy (austerity) is actually restricting the success of another (welfare-to-work). This has been noted by Newman (2013:5), who suggests that:

> "local authorities can be viewed as both *subjected to* and as the *promulgators of* ideologies of the unassailability of the market and its capacity to determine local political economies. Yet they are also implicated in strategies associated with other ideological forms, including the valorisation of 'the local' within an overarching anti-state ideology" (original emphasis).

The struggle to do more with less is especially the case with support and advice services:

> "Other organisations that we work with are in a pretty similar boat. The rhetoric is that we are having to do more with less, but you can only squeeze things so much before either quality suffers or the amount of people you can work with suffers or both." (Manager at a Manchester CAB)

In this way the increased conditionality and the use of sanctioning has meant people are turning to their local authorities and associated voluntary sector organisations more than ever (Dodds and Paskins, 2011). Many organisations have been forced to innovate, finding ways to manage their significantly reduced levels of funding, and with commercial income now representing 55% of voluntary organisation income compared to 39% from grants and donations (NCVO, 2012). That said, many organisations are anticipating that the quantity and quality of the services they provide will suffer a gradual decline, because they can only do more, or the same, with less up to a certain point. This is reflected by Hills (2011:607) who notes that:

> "the more important issues in the way welfare activity evolves further may lie in the details of the ways in which particular services are run – whether by public or by private providers - and of who gains and who loses as the ways in which they are paid for are reformed."

Many of the people interviewed noted that under conditions of significantly overstretched resources there has been much more innovative working around taking a joined up approach to service delivery, and there are a number of instances of welfare reform partnerships coming together, especially to deal with the challenges facing welfare-to-work providers from the introduction of Universal Credit:

> "There needs to be significant investment in the IT infrastructure, within this building and within the borough. We're lucky we've got an IT suite that's under-utilised at the moment, but we've talked about giving the advisers locally, not just ours, other organisations' advisers, the training and the skills to be able to support people with their online Universal Credit claims or whatever the case may be when we get to that stage. So they can then work with a group of people as opposed to one person for an hour at a time to help

> them navigate their way through that process." (Senior Official at a Merseyside Employment Charity)

Innovation in working practices includes the sharing of facilities, staff and training. It includes investing in up-to-date infrastructure (such as IT facilities) to meet with the needs of clients under the current swathe of reforms and for the future. It also involves closing down expensive or redundant buildings. In doing so resources can be amalgamated to meet the aims of austerity-driven welfare-to-work reforms. This drive to share instances of good practice in the face of declining government input into welfare-to-work policy discourse has been recognised by Theodore and Peck (2011:31) who convey that:

> "public-private governance is expected to deepen the receptivity of local actors to the 'right' policy lessons, both vertically and horizontally, thereby facilitating the spread of innovations between jurisdictions."

Such a shift appears qualitatively different from what was seen prior to the reforms, because local authorities and other groups were much more reluctant to work together, preferring instead to work on their own projects independently. However now that resources are stretched, far more stakeholders are inclined to pool those resources in order to achieve a more effective response to the cuts being made (Brenner and Schmid, 2015; Peck and Theodore, 2015).

Besides the need to adapt and innovate, other responses are becoming equally crucial, particularly around the behaviour of people and groups involved in the reform process.

7.4 Forms of co-operation in response to welfare-to-work policies

One of the main methods of overcoming the material effects of welfare reform and austerity involves stakeholders co-operating to pool resources and ideas to bring about the most effective response to addressing welfare-to-work objectives. With resources heavily constrained and strict policies around welfare-to-work to be met, co-operation and co-ordination between organisations offers a prime opportunity (or necessity) for responding to welfare-to-work changes under conditions of austerity.

However the most crucial aspect of any co-operative response to assess is whether they are being framed on the basis of opportunity or necessity.

7.4.1 Localised co-operative working

A point consistently put forward has been the enormous overhaul of regional structures by the Coalition Government. Interviewees highlighted that the dissolution of many government quangos - including the North West Regional Development Agency (NWDA) and their replacement with 5 Local Enterprise Partnerships (LEPs) - has presented a number of issues and difficulties for implementing welfare reforms locally and regionally. In particular there is no longer a formal concerted approach to policymaking at the regional level:

> "One of the reforms that this government made was to say there is no regional. We are about localism. So what they did was they stripped out all regional structures – the Regional Development Agencies and regional government offices. So that would have been your regional platform, and that all got stripped out and closed down. To be fair, people still tend to work with some sense of regional, but of course you've got things like the LEPs which are a completely different size…so by stripping out that regional structure there was a real loss to what was actually going on locally supporting regional area activity and actually understanding what's happening on a regional basis." (Manager, Locality, a National Community Network Organisation)

Despite the need to co-operate, the outcome of this shift from a very strong regional level co-ordination to more localised working arrangements means that there is very little joined up work and co-operation within the North West region, particularly with regards to implementing welfare reform and especially welfare-to-work agendas. One consequence is that the ability to successfully transfer central policy to the local level is not being honed as well as it has been in the past due to the loss of the specific and dedicated 'regional' support in areas such as the North West. Thus the argument can be made that the more efficient pooling of resources in response to austerity has been contradicted by the loss of regions and with it their integrity, since in the North West, one region has been replaced by five LEPs (Department for

Business, Innovation and Skills (BIS), 2015), and has therefore brought with it a necessity to co-operate locally. However, it should be noted that there is some opportunity for the development of regional level co-operation between organisations through LEPs, although with the focus being very much locally orientated this is not nearly to the same extent as their RDA predecessors, but there does remain scope for this to be expanded in future to supplement the co-operative and innovative working being encouraged in individual localities (Pugalis and Townsend, 2010).

The removal of the NWDA and other regional organisations, means co-operative working and formal partnerships are more likely between local stakeholders, such as within city regions or between town or city councils and other organisations, rather than at the regional scale:

> "One of the conversations we've been involved in locally is we have a city region strategy, and we have a city region team within the six boroughs of Greater Merseyside…There's a move towards having a regional council, and that's going to come, because again it's about dismantling (for want of a better phrase) the amount of infrastructure that surrounds local authorities. But you're right, there's nothing between central government and local government." (Senior Official at a Merseyside Employment Charity)

> "Pulling away one institution and inserting another is all obviously disruptive and replacing it with something that well we don't know how much power is going to happen. But I mean there have also been some more interesting innovations along asymmetric devolution lines, where you've had things like City Deals which are quite interesting, where cities have effectively applied to central government for specific powers, specific responsibilities and specific pots of money." (Spokesperson, IPPR North)

This concern is what Bunt and Harris (2010:3) refer to as the importance of local solutions when implementing national designed policies, because "they reflect the needs of specific communities and engage citizens in taking action." Nationally the Conservative-led Coalition has seen regions as an obstacle and barrier to this, but in the North West interviewees pointed to a co-ordination vacuum at the local level resulting from the removal of regional structures. The result is an unintended consequence whereby individual towns and cities are acting independently to take

responsibility for protecting their own interests because regional scale structures intended to support them have been all but removed. Thus despite a clear opportunity for co-operation to take place, Coalition austerity policies in certain instances are encouraging less rather than more co-operative working as the Coalition Government has desired.

7.4.2 Co-operative funding arrangements

Another issue which has arisen during the interview process is the reduction or even complete withdrawal of area-based grants. Respondents noted that in the past there was a substantial amount of co-operative working in the North West region because there were significant finances made available to meet regional, social and economic objectives:

> "The difference is that before, because of the nature of St Helens, we had pots of money, and we did for example our area-based grant and there were a lot of programmes under that which involved all sorts of different agencies, but I guess the difference now is that you could pull people together because there was that pot of funding to attract them. There was something in it for people to do that. Now that funding has gone it's how do we sort of keep those groups together?" (Senior Official, St Helens Metropolitan Borough Council)

Hence the removal of these grants has subsequently dramatically reduced the level of co-ordination between organisations at both the regional and local scales because much of the joint working only came about because there was a financial incentive to do so. In Liverpool for example, by 2011, Liverpool City Council had lost over £100m in area-based grants from the government since Coalition austerity measures were implemented (Liverpool Echo, 2011). Without such an opportunity, many organisations are more inclined to work independently. This suggests there is adaptation taking place, but contradicts other Coalition policies of local authorities working together because there is no innovation or real coping strategies being formulated by local authorities collaborating to meet demands and resource needs.

This reduction in grants is clearly part of austerity politics. At one level it can be seen as a necessity to involve more innovative working at the local level with fewer resources – collaborate to do more with less (MacKinnon and Driscoll Derickson, 2013). At another level the loss of funding removes the incentive or opportunity to co-operate (Hadis, 2014). One consequence, noted in the previous statement, has been a shift towards co-operation to meet very specific, individual, objectives. This is therefore a much less holistic and joined up approach than before. Ross (2009:67) argues that this is not necessarily the case because "rather than being bound by relations of authority and dependency, communities become bound together by relations of reciprocity and co-operation."

7.4.3 Collaborative monitoring and analysis

A number of interviewees also stated that constrained resources has meant the monitoring of impacts has become a necessity for where local authorities target resources in order that they can be used most appropriately. In this way, the development of effective partnerships enables more widespread monitoring to take place and provide stakeholders with a greater breadth of information with which to judge where funds are best focused:

> "They also get, and are monitoring, the welfare reform impacts. So they get it on a quarterly basis the changes and what's happening out there, which will help those organisations change should they need to depending on what comes out of that impact." (Senior Official, Rochdale Borough Council)

Evidence of the impacts and consequences of welfare reform is often stronger coming from a partnership of organisations rather than one on its own, and this wider encompassing monitoring enables more effective planning for future impacts and material effects (Rees et al., 2012). This process of sharing information has been picked up by Bunt and Harris (2010:5) who suggest that "policymakers should create more opportunities for communities to develop and deliver their own solutions and to learn from each other." Again this form of co-operative working is different from what has been seen in the past; organisations have often undertaken their own monitoring focused solely on the specific aspects of welfare support which they are concerned

with. In recent years the prerequisite for a more holistic approach in providing support and advice, coupled with far more constrained resources, has created the need for better monitoring of impacts and with it the inevitable need to share information with others and collaborate in order to achieve targets under austerity.

One of the preferred solutions which has become apparent through the interviews is the importance of providing good, concrete advice on welfare reform issues to those being affected by them. There are clearly a number of organisations in a position to provide advice and support to people implicated by government welfare-to-work rhetoric, but the number and variety of cases presented to support services has meant the quality of the advice and support being supplied is inconsistent at best, and completely misleading at worst:

> "The quality issue, this is something we have discussed in terms of we've got lots of people that are providing advice and support, but we've got no consistent approach. I think that's one of the things that worries me at the moment: how do we get a consistent approach so that if somebody comes to a council officer or goes to somebody at a Citizens' Advice Bureau or a housing provider or a voluntary organisation, are they all saying the same thing? Are they all giving the same, consistent level of advice? So we're looking at whether there's something we can do across the borough that might look at joining that up together. We've looked at whether we could utilise the same training course, training provider, but that will be quite difficult for us to pull together but we are looking at it at the moment." (Spokesperson, Oldham Council)

Many local authorities are focusing on working with partners to give consistent advice. Furthermore many believe that the most appropriate method of achieving this is for organisations to train their staff to have multiple skill sets in order to deliver a more complete range of support. It is also necessary for organisations to pool existing resources (such as digital access points) which they themselves may not be able to provide. This denotes the importance of local authorities in facilitating the economic consensus around welfare-to-work policies as noted by Newman (2013:5) that:

> "local governments are deeply implicated in the knowledge-power nexus, promulgating a succession of new governmentalities of citizenship and community. Local governments play an active role in strategies for governing populations by installing 'economic' logics of calculation and strategies for promoting 'self-governing' subjects."

However, under conditions of austerity and resource limitations the capacity of local authorities and their partners to provide suitable advice and support around welfare-to-work becomes much more of a challenge, particularly with the increased use of volunteers over full time paid employees.

In the past organisations with similar aims and objectives were extremely protective of their activities and were happier to operate independently in favour of their own interests. However in recent years, many organisations have found themselves in a sink or swim scenario whereby fewer resources are available, and so the increased use of partnerships and co-ordination with other organisations undertaking the same sort of work has become a necessity in order to avoid rapidly going out of business:

> "What's happened is that some services have closed and there's no way that they can actually provide a quality service with the funding they have left. So they have simply closed and that is a reality across the board. Whole charities have closed, but also whole areas of provision have had to stop because you just get to a point where you simply cannot do it up to a quality standard, to a standard that makes a difference so that you have to stop delivering." (Manager, Locality, a National Community Network Organisation)

> "If you don't get your house in order you will have to close, and many organisations have closed across the borough. But because of our willingness and ability to do things differently and to support a local authority going through some difficult times themselves without bowing down to everything they want to do, that's the difficult bit, finding that balance, we hope that we will be in a position as an organisation but also with our partners to respond to that need in the future." (Senior Official at a Merseyside Employment Charity)

This has especially been the case with voluntary third sector organisations, which are inherently more reliant on the funding support which is rapidly diminishing**.** Early

figures suggested the 12 months after the Coalition Government formed more than 2,000 charities had lost some or all of their funding from local councils (False Economy, 2011). They are necessarily having to work together and pool resources to continue undertaking the quality and quantity of work done in the past, and maybe even for their very survival. This need to merge ventures by voluntary organisations in order to achieve similar objectives confirms the thoughts of Ross (2009:64) who states that under a neoliberal political rhetoric:

> "individuals must arrange themselves and their communities to find solutions to the dissolving Welfare State. Thus, the voluntary sector, rather than the state, now plays a primary role in the development of social and economic rights for people."

7.4.4 Co-operation around contract bidding

What has also been cited is the cultural change towards contract bidding. A major response to cuts to funding for local authorities from central government has been to outsource key welfare-to-work services as much as possible (Standing, 2011). Mandated to sustain the quality and quantity of support with less money, many local authorities have offered contracts out to bidding from private and voluntary organisations for efficient delivery of services they are no longer able to provide:

> "It may well be in some of the work that's going on that we can provide it cheaper than the state sector and potentially the private sector, because we're not looking to make a profit and any money we make covers costs and goes back into the organisation to deliver other services. So there is a sense that we can do things cheaper than the services that we're replacing, but the reality is if we're not receiving any money to do that or a limited amount of money to do that, there is only so much you can do." (Manager, Locality, a National Community Network Organisation)

> "Other areas are thinking about how they might use the cheapness of out-sourced provision and where they're doing a bit more advanced thinking is in some of the community budget thinking - of which there are two community budget whole place areas in the North West - one in Cheshire West and the

> other is in Greater Manchester. So thinking about how they might draw in the additional resources that are within communities by using voluntary and community sector providers; relying on their pull on community volunteers, community assets, and seeing how they might do that approach." (Senior Official at Voluntary Sector North West)

Whilst theoretically this agenda seems to be a sensible thing to do, in reality it creates problems, particularly at the local scale. In many places where local authority cut backs have taken effect the gap has often been filled by voluntary organisations which have been inundated with increased demand. However far from presenting an excellent opportunity, cuts to funding mean third sector groups are now searching for alternative sources of income, which are now more frequently taking the form of contracts out to tender (Thompson and Williams, 2014). In this way, many voluntary organisations which have little or no experience of writing or compiling competitive bids for welfare contracts are being forced out of necessity to jostle with large private companies to secure contracts. The outcome is that such large private institutions are beginning to win contracts and implement their own generic blueprints for provision in places for which they have no local knowledge at all. Thus, as Standing (2011:41) conveys "the responsibility lies with government, in choosing an inappropriate instrument for delivering what it claims is a social service." As a result problems inevitably arise where there are significant gaps between rhetoric and reality, and as a consequence private companies more interested in profit than meeting the requirements of benefit recipients and who often devise strategies unsuitable for the local economy, are tasked with implementing welfare-to-work initiatives. The outcome is that austerity politics are creating challenging conditions, the responses to which are making the task of meeting welfare-to-work objectives increasingly difficult.

This contrasts with the more nuanced provision undertaken by local third sector organisations which are capable of taking a much more personalised approach, yet are unable to secure funding after being outbid by larger private contractors:

> "I think the problem now is that it's sometimes the bigger organisations who are better at writing funding bids and are better at doing the monitoring who might not be delivering the highest standard of service. They seem to be the

> ones surviving more than those real grassroots organisations that run essential services to their communities that aren't so good at the funding bids." (Spokesperson, SARF)

Whilst many contracts so far have been won by private companies, there has recently been a concerted growth in coalitions of local voluntary organisations perceiving opportunities for getting together to undertake shared bidding in order to compete with the propositions put together by private enterprises. In a similar way public sector organisations offering out these contracts are coming to realise that the most successful solution to service provision under austerity is to utilise the experience and know-how of local organisations, rather than granting contracts exclusively to large private sector companies with one-size-fits-all methods (Rees et al., 2012). Many are now taking the opportunity for a mixed approach of larger companies working in partnership with smaller but better informed local third sector groups, which has created a win-win situation for the Coalition Government by achieving a balance between the profit interests of private companies and the more philanthropic values of third sector groups. This is qualitatively different from before as voluntary organisations are now realising that they must work together in partnership to not only achieve common objectives, but also in order to secure the funding needed to do so.

This is of crucial importance because an unintended consequence of this argument is that there may be contracts available in future for consortiums of third sector organisations, but lack of funding at present may mean many of these organisations no longer exist by that point, or would be incapable of presenting a suitable contract or funding bid. Smaller groups therefore have little chance of securing limited funding unless they form umbrella organisations. In this regard, Lobao and Adua (2011:433) have noted that:

> "the institutional capacity of local governments…becomes more critical in whether localities have any chance of securing external funding, in addition to the effective formulation and implementation of programmes and policies."

In summary, the welfare reforms and austerity measures implemented by the Coalition Government since 2010 have had a substantial effect on how people and organisations are co-operating, out of opportunity or necessity, in order to mitigate

the negative consequences of the reforms. This has particularly been the case in the North West which has a long established history of extensive public sector involvement in welfare support. The policies laid out by the Coalition Government have been devised centrally and then implanted straight to the local scale where they may not correlate with the structure of the local economy or the individual circumstances of those reliant on social security support, and this is creating difficulties with regards to delivering success through welfare-to-work initiatives, both regionally and locally (Lang, 2012).

The austerity measures appear to be providing the impetus, through opportunity or necessity, for lots of informal cross working and co-operation to take place on the ground, however creating official partnerships is proving considerably more challenging due to the extent to which the Coalition Government has stripped out structures previously in place to encourage co-operative working. However, partnership links do appear to be stronger in those places traditionally hard hit by government funding cuts and which therefore have a strong background in being innovative and working together to maximise what they are able to achieve with fewer resources. In this sense then towns and cities of the North West appear bettered equipped to respond to the austerity and the cuts than other more traditionally affluent areas of the UK (Martin, 2012). This issue has been compounded further by the reduced amount of grant funding being made available for co-operative working and the forming of effective partnerships to supplement the welfare reform process. The outcome is that there are fewer perceived incentives and prospects for organisations to work together; hence without additional funding being made available many are quite satisfied to work independently on their own projects and objectives, even if they are similar and resonate with those of other institutions. Furthermore, any funding which is provided for working partnerships tends to be short term, which will have positive but minimal effects tackling the negative impacts brought about by welfare reform and austerity; funding must necessarily be much more long term in order for co-operative projects to have an opportunity to have the lasting impacts that the Coalition Government has intended.

In certain ways change can be good - without the qualitative shift in policy towards cuts making co-operative working necessary, many local authorities would have not gone anywhere near as far in terms of forming partnerships, instead preferentially

choosing to work independently. However, policy needs to be clearer in terms of emphasising the importance of co-operative working between organisations in order for it to have the effect at the local level which not only the Coalition Government has desired, but also which is practical and achievable by local organisations and their partners.

7.5 Forms of resistance to austerity and welfare-to-work policies

7.5.1 Political resistance to austerity and welfare-to-work

One of the main political impacts which has arisen from the austerity politics of the Coalition Government are the geographical consequences associated with resistance to the policy processes taking effect:

> "It's really difficult at the moment for Labour councils because they don't agree with it [austerity], but they have to kind of implement it because it's coming. Across Greater Manchester the majority of the local authorities are Labour held, Manchester obviously being held quite significantly by a Labour council, which is why we're looking at the impact [of austerity politics]." (Senior Official, Rochdale Borough Council)

With much greater conditionality of state support and citizen entitlements being enforced upon people of working age, it has inevitably been those places with structurally depressed economies and labour markets, as well as those locations which have higher levels of social security expenditure, that have been hit hardest by welfare reforms (Beatty and Fothergill, 2013). From a political perspective this has been quite stark, because many of these such places are distinctly Labour authorities, which has subsequently created a great deal of tension between central government and local authorities which are having cuts forced upon them. This local authority resistance represents a contradiction to politically driven government austerity rhetoric, because the justification of austerity was supposed to allow the Coalition to push through a more strict welfare-to-work agenda regardless of the prevailing socio-economic connotations at the local level as a result. The subsequent tensions arising therefore with local Labour councils acts as a hindrance to the

welfare-to-work policies being enforced and leads to people's ability to claim benefits entitlements being maintained rather than diminished.

Shaw (2012:11) argues that such resistance is perhaps unnecessary and deliberate. He suggests that:

> "too many councillors and officers can seem quite comfortable operating in a system of constrained choices where it is easy to blame government rather than seize control of their own destiny."

In this way organisations - including local authorities - are helping to resist the cuts and reforms by attempting to maximise the remaining benefit entitlements of those people exposed to the negative impacts of austerity and welfare-to-work policies:

> "So targeted communications … try and make people aware that these things [welfare reforms] are happening and this is where you need to go for support. So you see something and that will tell you where you need to go for advice, and then there are just some things around helping the food partnership and the wellness service, and maximising people's income or as I prefer to put it, minimising people's expenditure." (Spokesperson, Blackpool Council)

Hence by working with people and supporting them to manage their incomings and outgoings, they can help to mitigate the impacts of the reform process. Furthermore, by helping people to access their maximum entitlements, local authorities are actively contradicting (and therefore resisting) government policy, because instead of welfare-to-work policy succeeding in lowering the amount of social security funding that people are claiming, it is actually leading to a reciprocal process whereby the cost to the public purse is actually increasing through greater resistance to reform (both from the implementers and recipients of welfare-to-work initiatives). This is because the welfare-to-work measures are making people even more dependent than they were before, and therefore determined to claim whatever support they can access, including those in work as well as those who are unemployed. In this way, total welfare expenditure is expected to be £5.9bn higher in 2015/16 than in 2012/13, an increase of 2.8%, and £3bn higher for capped welfare spending (OBR, 2014).

This process represents a decisive form of resistance to an apparently deliberate and contradictory government agenda to reduce the size of the benefits bill. Under

the current system organisations are increasingly active in working with clients to advise and support them in maximising the amount of financial support they can access, which is the exact opposite of the small state policy the Coalition Government has intended to achieve. Resistance to welfare reform - and claims of an ideological pursuit of a smaller state can be explained by the observations of Peck (2012:630):

> "[Neoliberalism] is interlaced with deep-seated political motivations as well, to denigrate the state…and to cast aspersions on the viability of governmental solutions, the serial underperformance of the state becoming a self-fulfilling condition of this wilfully malign process of neglect."

7.5.2 Challenging welfare-to-work decisions

Another interesting form of resistance coming to fruition is the way in which the people affected, with support from the local authority, are repelling cuts to their entitlements through the reforms to welfare-to-work policy by actively challenging decisions through the tribunal system:

> "We're finding clearly that lots of people are being migrated from Jobseekers Allowance to Employment Support Allowance and then you've obviously got the work-related assessment group…A lot of those decisions are being challenged. We're then supporting individuals in the counter claims that are being made. We're then supporting people to tribunal and the percentage; we've had a seventy per cent increase in the success at tribunal. So people are ultimately being found to be hard done by or wrongly done to six months ago. Their cases are being won, so the cost to the public purse is probably going to be greater than it would have been if they'd just left it as it was, but in the meantime those families are falling into poverty, and are subsequently using payday loan sharks, food banks etcetera to survive." (Senior Official at a Merseyside Employment Charity)

It is widely known that the changes to the benefits system and welfare-to-work have forced a large number of people onto Jobseekers Allowance, hence losing out on a great deal of their social security payments (Hamnett, 2014). However rather than

simply accepting these reforms, with the assistance of other agencies many are successfully challenging these decisions through court tribunals. For example, since Work Capability Assessments were introduced in 2008, 37% have been successfully overturned (DWP, 2013d). The result is instead of cutting the costs of welfare to the public purse and forcing people towards the labour market, costs are actually increasing because not only are people having their original benefits reinstated but also the court costs of the tribunal cases have to be met (Daguerre and Etherington, 2014; Griffiths and Patterson, 2014). Similarly there used to be far more funding available through the legal aid budget, but since this has been all but scrapped stakeholders and citizens have had to find more innovative ways of funding challenges to welfare-to-work decisions, particularly when there is a good chance of them being successfully overturned (Scope, 2011).

7.5.3 Resistance to austerity and welfare-to-work in cities

What has also been noted is the role that cities play in the articulation of resistance to the austerity and reforms. Clearly the nature of cities makes them obvious locations for resistance because of the sheer number of people exposed to the welfare reforms coupled to the number of organisations located there aimed at mitigating the inevitable widespread impacts in such an intensively localised environment (Theodore and Peck, 2011). They therefore act as a major convergence points for forms of resistance to welfare reform and the wider neoliberalisation of spatial scales (Peck, 2013; Peck et al., 2013), such as protests and campaigns, but also for more subtle forms of resistance such as information and advice, or more active support to defy the Coalition agenda for reducing welfare entitlements:

> “There’s a website that looks to…it’s supposed to be done by the people. It’s not a centralised co-ordinated effort and it’s working through social media mostly. They did a lot of protests one week about three or four weeks ago, and there was pretty much every city that was affected, and I don’t know the scale of it, but it was an impressive turn out from what I can gather. But that’s very much social media driven.” (Senior Official at Voluntary Sector North West)

Thus whilst the role that cities play in forming resistance to changes to welfare provision and austerity remains much the same, the way by which it is being articulated is certainly different - matching the changing nature of co-operation and resistance to changes in a digital age, and although the presence of large protests appears to be something archived in the past, other forms of resistance are coming to fruition within and between cities which better match with the processes taking place. This links well with the ideas of Peck and Tickell (2002:395) who postulate that "cities find themselves at the forefront of *both* hypertrophied after-welfarist statecraft *and* organised resistance to neoliberalisation." This therefore appears to contradict government policy intentions because the reforms are meant to engender an acceptance of responsibilities to find work and lower dependency on the state, however whilst there is a paucity of suitable employment available in the labour market, resistive processes offer a vital lifeline where dependency is necessarily higher than before.

As well as within cities, resistance is pronounced between cities, especially cities within a region such as the North West of England which has been affected by austerity and reforms in profound ways. Interestingly it appears that such forms of co-ordinated resistance are driven by social media more than large scale organised protests as would have been seen in the past through trade unions.

7.5.4 Justifying resistance: education and understanding

Much of the anger and discontent with the reforms and cuts at the local level is due to a lack of education and understanding amongst those affected about the dynamics of how and why policies such as the Bedroom Tax are being implemented:

> "Well it's the mis-advice that they are giving. There was this whole thing about the size of the room and they were quoting the 1985 Housing Act, but it was to do with space standards, it was nothing to do with the Bedroom Tax legislation. So there was a lot of stuff on social media which isn't particularly helpful because it's giving people false hope and it's not advising them correctly. Then we're having to put that right. So there was the size of the room, then there was well if you pay a pound per week you'll be fine, you

> won't get evicted, and again that's not right. I think the trouble is people read headlines and then they go off I don't know whether it's well intentioned or not, but it's caused more problems. There's not so far been anybody really that I've met as a protester who I think is actually helping the tenants' cause really." (Senior Official, Knowsley Housing Trust)

Indeed many of those affected by the changes are largely unaware of exactly how they will be implicated until they are actually affected. Thus when individuals and families begin to lose entitlements or are forced to look for work through heightened amounts of conditionality being applied to their benefits, they immediately look to those who have implemented those policies (namely the local authority) to place the blame and are then reluctant to co-operate with them in trying to mitigate the negative effects coming to the fore. Furthermore, such feelings of distrust and acts of resistance are being compounded by mis-advice and misconceptions of how welfare-to-work initiatives are being implemented, such as people suggesting dodging or refusing payment, refusing to move homes, or refusing to take a particular job. Whilst such advice may well have good intentions, it serves only to create further difficulties for both the individual and the organisations who, contrary to their beliefs, are actually attempting to help and support them through the welfare-to-work process.

By resisting, people who are affected by the cuts and the reforms actually consign themselves to making their situation worse, because ultimately they cannot just bury their heads in the sand or constantly try and evade their responsibilities to accept the new welfare-to-work conditionality and hope that the problem goes away. Instead they end up slipping further into debt and arrears, becoming stranded deeper in a cycle of poverty that quite often the local authority organisations they are resisting are attempting to help them out of. On the flip side, the resistance or lack of compliance is having significant implications for the revenue streams of local authorities who are reliant on the income to be able to fund aspects of welfare-to-work such as advice and support. Lower incomes mean they are less able to work with people exposed to the changes to give them advice and support with work and benefits, payments and debt management. Such issues are in direct contradiction to the objectives that the policies were intended to achieve when set out centrally, because rather than just accepting the changes and paying what is owed as the

Coalition proposed, there has been a great deal of resistance and opposition to the changes at the local level which is creating problems both for the people drawn into the umbrella of welfare-to-work policy and also the organisations tasked with implementing and sustaining such policy processes under conditions of austerity. Peck et al. (2010:110) have noted the contextually specific variations of resistance arising from neoliberalised solutions to economic crisis, conveying that Neoliberalism:

> "does open up the possibility of a multi-front war of position, waged across a differentiated terrain and through a range of contextually specific, conjunctural struggles."

7.5.5 Organised resistance to austerity and welfare-to-work

In the traditional sense, the clearest manifestation of resistance to welfare-to-work and austerity is through protests, particularly large demonstrations organised by trade unions over issues which affect a wide selection of their members. What has been frequently noted by interview respondents is that protests in resistance to welfare reform and austerity are qualitatively different from those in the past, being more muted than they have been previously, not only at the national level, but also and perhaps more surprisingly, at the local level where the cuts have really started to have an impact:

> "Yes I think there have been minor protests haven't there, but we're not into the community tax business that we were with Margaret Thatcher. I think that's because people are battered and I think people are fearful and not quite knowing how to deal with their own vulnerability." (Church Voluntary Action Co-ordinator in East Lancashire)

Thus whilst in some cases the impacts are even more harsh than people have experienced in the past, the response to such negative effects, particularly in the form of resistance, is far less forceful than might have been the case given the level of upheaval. This quite palpable change has been observed by Schulze (2010:2) who notes that:

> "in times of Welfare State retrenchment it has become difficult for trade unions to influence social policy. They are less included in the process of policymaking…It seems that Welfare State crisis and trade union crisis go hand in hand."

In general the response has been quite lethargic because from an organisational perspective local authorities and other groups are reluctant to openly criticise their source of funding, whilst those affected appear to be feeling disheartened, as if their efforts were almost pointless and futile. Henceforth this is qualitatively different from what has been seen before, where there would have been significant resistance to reforms and cuts of the magnitude of the Coalition Government's agenda.

In summary, resistance to the reforms and austerity being implemented by the Coalition Government is taking a variety of forms, although appears qualitatively different to how it might have been conveyed in the past. Contrary to the expected outcomes of government policy, there seems to be very little acceptance of the changes taking place and both individuals and organisations are working to resist and mitigate the effects of the reforms. Furthermore, whilst the intensity and forms of resistance are far softer than perhaps might have been expected in the past, what remains to be seen is how much more austerity and reform people affected by the changes are willing to accept; there is likely to be some sort of trigger point beyond which a significant backlash to reform will ensue, which in turn could initiate a far more complex set of responses to government welfare-to-work policies, but which at this stage remain unclear.

7.6 Coping strategies in response to austerity and welfare-to-work policies

Whilst Coalition Government policy has intended that people will be able to replace lost income from benefits with that from employment, supported by intentional welfare-to-work policy, the ominous lack of suitable employment opportunities in many regions and localities has meant that the loss of income from benefits has required people to devise strategies to cope with the loss of income in novel ways.

7.6.1 Organisations coping with austerity and welfare-to-work

Aside from the individuals having to undertake coping strategies to overcome the negative effects of austerity and welfare reform, the organisations which are tasked with implementing the changes themselves are having to devise a number of strategies in order to respond to the challenges which they are facing:

> "When the welfare-to-work changes came in we had members that didn't get contracts or knew that they weren't going to get contracts - from G4S and Serco and others - and decided which amount of their reserves they could use and how they were going to reconfigure services to try and keep things going. I think people are just trying to be as pragmatic as they can, to the point where they can or can't continue to deliver something. I think people have been quite shocked at every way you turn things are getting attacked and shrunk, so I think people planned as much as they could and thought about their own resources and how they differ you know, I know we've had members sell properties, we've had people moving their reserves to actually keep funds up and keep front line services going. So I don't think anybody really buried their heads. I think it was just trying to understand the scale of it really." (Manager, Locality, a National Community Network Organisation)

These responses are exactly what the Coalition Government intended; cutting funds to local organisations thereby forcing them to cope with maintaining welfare-to-work service provision at the same time as saving money and cutting the welfare budget. This agenda is qualitatively different from the policy in place before, where the Labour Government invested significant sums in the public sector in order to continually improve the quality and quantity of provision both local authorities and third sector organisations were able to provide (Smith, 2010). Under the current scenario such quality and quantity are expected to remain at the same time as resources are being squeezed. Bennett and Roberts (2004:10) support this, contending that such strategies are a consequence of changing power relations between the state, citizens and the private sector in the face of austerity and the process of reducing the role of the state in meeting welfare-to-work protocols. They suggest that challenges of moving power relations arise for policy makers "because

they then have to think about how to change power relations at the community, household or intra-household level."

Another important coping strategy is the enormous increase in demand for advice and support services at the local level on local authorities and other private and voluntary organisations:

> "I think we're already noticing some people going into arrears with their Council Tax, because the Council Tax benefit has changed, so now everybody has to pay some form of Council Tax. So there are lots of people coming for advice and support and not really understanding what's going on. There's a need to just give them information, but also there's a need to provide help around arrears and debt." (Spokesperson, Blackpool Council)

The high demand for advice and support is something entirely new and unprecedented for local authorities and their private and voluntary sector counterparts; in the past whilst these same support services have been widely available, their usage has been somewhat more conservative. Now however, when benefit entitlements are being progressively curtailed and additional financial responsibilities are being placed onto citizens previously protected from exposure to a neoliberalised labour market, the dependency of such people inevitably rises. Thus a clear policy contradiction is emerging at the local level between the needs of citizens and ability of local providers to support them. This paradox rejects the thoughts of Lowndes and Pratchett (2012:25):

> "local authorities and other bodies at the local level will not have as much money, they will have much greater freedom to be innovative in the way that they work and support their communities."

What this suggests is the assumption that innovative coping strategies will overcome a basic lack of resources appears to be false. This is also highlighted by Stoker (2011, cited in Lowndes and Pratchett, 2012:28), who suggests that:

> "the issue of local government finance is the elephant in the room because until local government gets access to a wider variety of revenue raising sources and funds more of its own services it is difficult to say that localism has arrived."

Coupled with increased levels of advice and support, people are attempting to cope with restricted benefit entitlements by accessing alternative sources of public money which might still be available through local authorities:

> "They're appealing benefit decisions with no real grounds, they're applying for DHPs (Discretionary Housing Payments) and again have got no real grounds a lot of them. It's still not, and I'm not saying this is a majority, but there's a significant proportion of people doing all these things before, and they'll do all that before they even come to thinking right I'm going to have to re-budget or I'm going to have to move. You've only got to look at the payment trends in our group, they're nearly all in arrears now." (Senior Official, Knowsley Housing Trust)

Local authorities previously had a pot of money for providing crisis loans to vulnerable people, but the system has been progressively scrapped by central government since it began to instigate cuts on local authorities (Local Government Chronicle (LGC), 2014). As a consequence the only remaining source of funding that is available comes in the form of a DHP, and is a portion of money which many local authorities have put aside in order to counteract the effects of the Bedroom Tax and Council Tax payments. Thus many local authorities have seen an exponential increase in applications for DHP support (JRF, 2014c). Whilst this money is intended to provide assistance for housing payments, with many people facing substantial cuts to their social security income these funds are often being used not only as a short term coping strategy to help with rent payments, but also to help them get through day to day living more generally.

Whilst this behaviour from benefits dependent citizens might well be expected, it does refute the intended objectives of the Coalition Government to lessen dependency on the state; instead of taking extra responsibility for their own welfare, people are simply transferring their dependency from one area of state funding to another, even if it is only for a limited period of time. This maintenance of dependency is conveyed by Lowndes and Pratchett (2012:30) who note that:

> "the move from 'Big Government to a Big Society' reflects the Coalition's belief that depending considerably on the state has taken away individual personal responsibility, increased bureaucracy and led to community

> breakdown…The overlap of the policies shows a conscious attempt by the Coalition Government to change the basis of communities and therefore, their relationship to structures of governance at the local level."

This is a very definitive shift in behaviour, because in the past people had more generous benefit entitlements and so had very little requirement for financial tools such as DHPs, whereas now local authorities are being overwhelmed by requests. For example between April and May 2011, Sefton Council saw a nine-fold increase in DHP applications (Inside Housing, 2013).

7.6.2 Citizens coping with austerity and welfare-to-work

One of the main coping strategies perhaps can be classified as not being a coping strategy at all:

> "I think it's almost a very human reaction to bury your head in the sand and think it won't affect me, it won't be that bad, it's not happening yet and actually now it is. The letters are dropping through the door and people are seeing kind of the liabilities and the cuts to their income. So I think even if you did everything you could to get the message out, I suspect until it hits people and they literally lose that money or you know, are threatened with homelessness, then it starts to impact unfortunately. And that's what we're seeing are people in crisis really when it has come to that point and it has affected them." (Spokesperson, Wirral Borough Council)

Many of the people interviewed noted that the most common way in which people are getting by on lower income is by burying their heads in the sand, pretending that the financial problems they face do not exist, and believing that they will simply dissipate if they choose to ignore them for long enough. The problem is frequently being compounded as well by poor advice people are being given by their peers who actively encourage them to duck and dive from their heightened responsibilities, but which serves only to worsen their situation in the long run. Such a response is understandable for people who feel they have their backs against a wall and have no other option; however the reality of the situation is inevitably that debts mount up

further, welfare-to-work sanctions hit harder, and so draws them deeper into a cycle of poverty and so become increasingly dependent on benefit support.

As a result this is an unexpected outcome for Coalition Government policy intentions, because there is an expectation that people will just accept the changes and take on the additional responsibilities being placed upon them, when in reality people are frequently doing anything they can to avoid conforming to policy ideals. Indeed Martin (2010:34) agrees with this, suggesting that "social life must be understood and enacted by real people in real situations", and not through a process of what responses are expected by policy rhetoric. This behaviour is much the same as would have been expected in the past, however the severity of the cuts and the scale of which they are taking place means that the dire situation people are getting themselves into by ignoring the reforms is significantly worse than has been seen previously (for instance the dramatic rise in the use of pay day loan services). Henceforth, this unexpected consequence stems from a misconception of the responses of citizens to welfare reform and welfare-to-work requirements, and that the Coalition Government has automatically assumed policies will encourage people to take responsibility and find work.

Another substantial attribute which has arisen from the interviews is that despite attempts to increase the provision of things like advice and support, the intensity of the problems people exposed to the cuts are facing continues to increase, and the level of desperation equally amongst these people is getting worse. The result is that there has been a significant increase in the use of less desirable coping strategies, such as the use of payday loans, loan sharks and even increased reliance on food banks:

> "We're seeing increased levels of people with major debt problems in real financial hardship turning to things like loan sharks and food banks." (Spokesperson, Wirral Borough Council)

Also emerging are less visible forms of coping such as cutting back on food and heating by attempting to rationalise what is deemed essential. The increasing (and unexpected) dependency on these tools for coping with the changes taking place means that people are getting even deeper into trouble, particularly with debt, challenging the notion of people taking more responsibility for their own welfare.

Such a development is not qualitatively different to the situation prior to the reforms being implemented, however what has changed is the extent and intensity with which such tools are being utilised to cope with everyday life. What is also important to assert is that welfare-to-work policy is designed to promote work as a route out of poverty and dependency, however the increasing use of such coping strategies negates the benefits that come from being in work, therefore meaning work is less likely to pay as the government has intended. Furthermore, for many who are used to an adequate life on benefits, work represents a coping strategy of last resort; they will preferentially utilise other strategies such as loan sharks and other forms of debt to sustain themselves and will only get a job if they have no other choice. Such desperation therefore undermines the idea of utilising welfare-to-work tools in order to improve living standards through greater responsibility and so requires a different approach to welfare reform. This principle has been raised by Taylor-Gooby (2012b:129) who suggests:

> "the defence of the Welfare State requires the political leadership to mobilise the political forces supporting greater social solidarity, to articulate an economic strategic that includes a humane valuing of citizens as more than worker/consumers and to combine the various arguments for welfare into a compelling and inclusive case that carries moral conviction."

An additional interesting sub plot around coping strategies relates to behavioural changes. Whilst some people have embraced their new level of responsibility to provide for themselves through welfare-to-work, many have sought any means possible to secure an income without having to get a job. In terms of behaviour it has been suggested by the Coalition Government and Iain Duncan-Smith in particular that people have been attempting to dodge and ignore their additional responsibilities (Standing, 2011), but there are many other forms of behaviour which are coming to fruition as part of coping strategies that people are adopting:

> "Borrowing from family, borrowing from neighbours, borrowing from loan sharks, using a credit union, going to food banks." (City Councillor in Liverpool)

These contrast with coping strategies being used by higher social classes, who have greater access to various financial instruments and can therefore make cut backs

around non-essential spending compared with those on benefits who are already pushed to their limit and who risk being tipped over the edge if any further cuts are imposed upon them. This is particularly an issue for single people who only have access to the most basic forms of Jobseekers Allowance. Moreover, a number of interviewees noted that aspects of people's behaviour are also indicating that many are not coping with the changes, and their situations are simply getting progressively worse with behaviours including a heightened level of apathy towards life or even pleas for help in the form of attempted suicides, or maybe being extremely reluctant to ask for support. Increasingly people also appear to be waiting until they are in crisis before they ask for assistance.

Such forms of behaviour are indicating that the political strategies which have been implemented by the Coalition Government are not having the intended effect. Instead of people stepping up and taking greater responsibility for their welfare through work, it is apparent that they are mostly trying to cope with the changes by any means other than work, if they are managing to cope at all. This behavioural change has been stressed by Dale (2012:17) who suggests that they are a direct consequence of Neoliberalism becoming more deeply embedded into social practices. Indeed Neoliberalism now represents "a 'social movement from above' geared to putting into place a regime of rules, policies and social practices that claim fealty to the doctrine." Consequently many people who have been reliant on benefits in the past are simply becoming even more dependent, but instead of the state it is on alternative sources of income and support, which is an unexpected reversal of the ideals the Coalition Government has sought. However this contrasts with the views of Dunn (2010) who suggests that far from becoming increasingly reliant on state support, unemployed people with lower qualifications tend to exhibit a greater affinity for work.

Furthermore, the impending introduction of Universal Credit is likely to make everyday life even more difficult for people, and so the coping strategies and in turn the behaviours exhibited are likely to become even more extreme and desperate in order to survive under an increasingly "punitive turn" (DWP, 2010c, cited in Wright, 2012:319). In terms of such behaviours being qualitatively different from those observed prior to the austerity measures and reforms being brought in, it appears they are much the same. The main difference is that the behavioural patterns in

place before have now become more widespread and more desperate than before in order to survive under greater financial strain.

7.6.3 Coping with welfare-to-work through employment

The interviews have also identified very specific issues relating to how people are using employment to cope with the effects of the welfare reforms. Clearly the most obvious method of mitigating the negative effects of reform is through sustained employment, however attaining employment or additional hours of work is not always so easy - particularly within a sensitive labour market, and especially for those who are unskilled or lack the educational attainment to find employment which would help them to move away from social security dependency:

> "The unskilled working class are hit the hardest definitely. And even the bits of help that are available for them, they're struggling to find their way through because of either their own inadequacies or lack of education. Some of these people are so beaten down by what life's throwing at them; they're losing the will really." (Senior Official, Burnley Borough Council)

As a result, the conditions of a resurgent neoliberal labour market mean it becomes increasingly difficult for many people reliant on social security to find suitable employment in order to cope with the latest welfare-to-work mandate and take responsibility for their own welfare through work. This leads to many becoming trapped in a cycle of dependency by a labour market and economy which are supposed to offer a clear route towards self-sufficiency, but in reality serve only to maintain and deepen the poverty and dependency processes which already exist (Johnston et al., 2011). In this way therefore, the politically driven ideals of affirming the prominence of neoliberal market tendencies are actually serving to contradict welfare-to-work by limiting the success of policies as they push benefits recipients towards continued un and underemployment through which dependency on social security becomes inevitable. Such a process is fairly similar to that which has been observed in the past, however the politically driven nature of the current policy agenda around austerity and welfare-to-work means the process of trapping people in low paid work and dependency has been extended and has become more intense

under the Coalition. This inconsistency supports the thoughts of Newman (2011:104) that “higher out-of-work benefits would raise self-esteem and confidence and have a significant impact on the ability of those who are unemployed to look for work.”

In addition, the tapering of benefits with greater hours of work mean that people actually lose out on access to benefits the more they work, and so people are being actively discouraged from taking on overtime or temporary work through fear of losing benefits further down the line. This is also important when considering that there is a crossover period between moving in and out of the benefits system, and so there may be a delay in benefit receipt leading to people having periods of no income and therefore greater dependency and become stranded in a cycle of poverty:

> “There are increased numbers of people applying for local welfare assistance, and interestingly the single primary reason why they say they need assistance is because of delays in their benefits being sorted out. So there are a whole group of people who are sort of coming to us for assistance now for things like food, and the single most common reason for why they’re having to find that assistance is because there’s been some kind of delay in their benefits being assessed.” (Spokesperson, Wirral Borough Council)

In this way therefore, taking on work as a way of coping with the welfare-to-work reforms which are being implemented appears to be less beneficial than the policy intends, because the financial rewards of being in temporary or low paid employment are negated by loss of benefit payments at a time when people might be more reliant on them than ever before, particularly if they suddenly find themselves out of work and face a lag time before they can find alternative employment or are processed back into the benefits system. Thus the uncertainty that necessarily accompanies temporary and low paid forms of employment serves only to discourage people to take on employment as opposed to living on benefits, because many fear losing the benefits income they already have more than the gains they receive from taking on work for a short period of time or which offers low pay.

This is a direct contradiction to Coalition Government welfare-to-work policy which has intended to push recipients towards the labour market and lower dependency by making work pay, yet the uncertainty which arises from inadequate forms of

employment leads people to refusing temporary work as a way of coping with the potential loss of benefit income in the longer term. This uncertainty has been noted by Newman (2011:96) who conveys that:

> "work *is* the most important route out of poverty for working-age people, but not a guaranteed one. There is evidence of a 'low pay, no pay' cycle of moving from unemployment into low-paid work and back again" (original emphasis).

She goes on to suggest that as a result "other routes out of poverty can be important – not least a rise in benefits or maintenance payments" (ibid). Interestingly then, this is much the same as has been the case in the past, with government policy attempting to 'make work pay', but in reality the balance between the financial gains and drawbacks of welfare-to-work policy make it much more difficult to justify the advantage of being in work, exactly what the current raft of policies were designed to overcome.

The issue becomes even more pronounced when considering the effects the reforms have on groups hit hard by the cuts, mainly single people and the disabled. The cuts to benefit entitlements mean that the cost of care for the disabled has shifted towards the responsibility of the families, and so in many cases the cost of care rises exponentially. To cope with this, a significant number of people are actually giving up work to act as carers for disabled family members:

> "You don't know whether people have simply said 'Well I'll have to stay at home rather than do that part time job', or 'I'll have to make adjustments like that.'" (Spokesperson, Merseyside Disability Charity)

These outcomes are extremely interesting from the perspective of what Coalition Government welfare-to-work policy has set out to achieve. Policies assume that by restricting benefit entitlements to those dependent on social security support, they will inevitably take greater responsibility for their own welfare through work. However it appears that the policies implemented are actually having a contradictory effect; instead of encouraging people to find a job or take on additional hours to escape their dependency on the welfare system, people are recoiling back further into benefits dependency in order to avoid losing their entitlements and may actually go

further in the opposite direction to that intended in order to maximise their income through benefits (Oakley, 2012). This has been elucidated by Patrick (2012:13) who states that:

> "the many shortcomings of contrasting a simplistic valorisation of paid work with the 'problem' of 'dependency' suggests that one of the central premises of both welfare-to-work policy and the broader welfare reform agenda is open to challenge…At the same time, the government should also consider what messages are sent out by its implicit undermining of the many forms of unpaid work in which so many are engaged."

Qualitatively therefore, this is very similar to the situation observed under the previous system devised by the Labour Government, whose policies inadvertently incentivised lifestyles underpinned by benefits rather than encouraging work (Hamnett, 2010). Whilst the agenda of the Coalition aims to tackle this so called dependency culture and rebalance the Welfare State (Oakley, 2012), it is achieving very little by way of convincing those on benefits that they should be looking for work as a way out of poverty rather than maintain an inherent dependency on the state.

In summary, a wide variety of responses are coming to fruition which both people and the organisations that support them are developing as strategies for coping with the austerity measures and welfare reforms. Whilst being in work is clearly the best way of coping with the reforms taking place, the responses of many people resemble more of an avoidance of work in search of alternative ways of accessing benefits rather than accepting the responsibilities for social security. However, such a process risks creating an underclass of citizens if short term coping strategies translate into more long term normalities. Furthermore, under the current scenario people can just about survive on the restricted benefit income that they receive, and so any unexpected or additional expenditure may tip the balance of an individual or family being able to cope with the everyday struggles associated with life on the breadline.

7.7 Summary

This chapter has explored the responses emerging from the material effects of politically driven welfare-to-work rhetoric in the UK. It has questioned whether or not such responses contradict or complement the objectives of austerity and welfare-to-work policies currently being implemented, and whether these responses are qualitatively different to those seen in the past. It has investigated how key stakeholders in the welfare-to-work discourse have adapted to the changes brought about by the material effects of austerity and welfare reform. The interviews suggest that there have been a number of contradictory and unintended impacts of adaptations to the material effects of welfare-to-work, primarily due to the lack of suitable employment opportunities and the paucity of acceptance of welfare-to-work rhetoric and its push to lower dependency on benefits receipt (McCollum, 2012). This has frequently led to benefits dependency simply being transferred from one section of the population (the unemployed) to another (those in low paid work). What has also been discovered is that much of this adaptation process is qualitatively different to what has been seen before due to the types of effects being responded to and the different ways in which these have been addressed. Innovation is seen as stakeholders having to do more with fewer resources. In this instance, the interviews have suggested that there are a great number of innovative responses to austerity coming to the fore as a way of sharing costs and promoting work over benefits, however these are being hampered by the lack of employment opportunities suitable to move people away from the benefits system, and as such that the welfare-to-work objectives laid out by the Coalition Government have proven much more challenging (Standing, 2011). And again, whilst welfare-to-work in itself is nothing new, the combined effect of fewer resources and higher demand for support have meant the innovative responses stakeholders are creating are qualitatively different from what was utilised in the past (MacKinnon and Driscoll Derickson, 2013).

The chapter then explored the forms of co-operation emerging to overcome the negative effects of austerity and welfare-to-work, mainly through the sharing of resources and information. An unintended consequence of this however is that in some instances, fewer resources has meant even less co-operation as organisations become ever more protective of individual rather that collective spending priorities. In turn this might also lead to the loss of support capacity at the local level due to an

inability to secure funds through contracted funding arrangements. Even this form of response was however found to have been hampered by the lack of suitable employment opportunities and the loss of structural co-ordination due to austerity, meaning the welfare-to-work responses were not as successful as perhaps they might have been (Lowndes and Pratchett, 2012). Furthermore, government policy actively contradicts itself in that co-operation is being hindered and even weakened by the removal of regional ties in favour of more localised arrangements. Again such forms of co-operation are qualitatively different from those seen in the past due to the changing structure of welfare-to-work policy and resource allocation, as well as the need to meet the growing challenge of a resurgent neoliberal economy and labour market.

On the opposite of the equation, the next section of the chapter assessed the role of resistance as a response to the effects of austerity and welfare-to-work reform. It found that resistance has taken many forms both from individuals and organisations to overcome the material effects and tensions of austerity and welfare-to-work policy, although rarely in the traditionally expected forms of response such as protesting. Many of the behavioural responses to welfare-to-work policies thus actively contradict the agenda of the Coalition Government, because they present as responses to maintain benefits income as far as possible and opt for work as a last resort (Smith, 2010). In a similar guise the vehement failure of many to accept the welfare-to-work reforms being made is actually increasing the costs of welfare to the state in direct contradiction with the objectives of reduced spending that the government has championed. Whilst long-established forms of resistance such as protesting are nothing new, the particular nuances of austerity and enforced welfare-to-work compliance are leading to qualitatively new responses aimed at resisting government objectives from both citizens and organisations.

In the final part of the chapter, the coping strategies coming to the fore in response to austerity and welfare-to-work were investigated, which have taken a variety of forms in order to overcome the latest requirements arising as part of the current welfare-to-work mandate. Therefore despite the objectives of the welfare-to-work agenda what has become clear is that the majority of the coping strategies noted were to mitigate and ameliorate the effects of welfare-to-work by any means other than finding employment, which has been an unexpected outcome for the Coalition

Government from the policy agenda around welfare-to-work and forcing people towards the labour market and lower benefits dependency. The coping strategies devised in this instance are similar to those seen in the past, with the difference being that the stricter nature of austerity and welfare-to-work policies have led to the use of such responses being extended and intensified. What should also be noted is that government welfare-to-work rhetoric has been based around moving people into employment by making work pay, but the coping strategies coming to fruition mean the outcome on dependency is qualitative the same as that of previous policies, and a facet which the current raft of policies was intended to overcome. However the simultaneous promotion of a neoliberal labour market has presented a much greater challenge to welfare reform than was perhaps originally envisaged in the policy rhetoric (Taylor-Gooby, 2012a). In this way welfare-to-work policy represents a significant contradiction to the policy objectives around making work pay, because for those confined to low paid employment, being in work does not provide a large enough boost to income to remove dependency on state support, and may actually serve to increase it. Hence benefits dependency is simply being transferred from the unemployed to those in low paid work, instead of being removed altogether as the government has intended.

The final chapter will summarise the main findings from all three of the empirical chapters which in turn will allow answers to be formulated for the research questions originally proposed. It will then identify the unique contribution of the project to further the knowledge base around austerity and welfare-to-work in the UK under the agenda of the Coalition Government and beyond the 2015 General Election.

Chapter 8: Nascent Geographies of Austerity – Reflecting on the Implications for (Re)new(ed) Welfare-To-Work in the Present and Future

8.1 Nascent geographies of welfare in the age of austerity: work-first welfare

The research conducted in this thesis has investigated the impacts of austerity and welfare reform, in the UK, across the North West, and in the towns and cities therein. In particular, it has focused on the implications for welfare-to-work policies designed to push people towards the labour market and away from reliance on state welfare. It began by highlighting the different eras of the Welfare State in the UK from its inception in the 1940's up to the tenure of the 2010-15 Conservative-Liberal Democrat Coalition Government. It then addressed the conceptual and theoretical frameworks of welfare reform which have emerged alongside austerity following the 2008-9 financial crisis. Following on from this, it highlighted the methods used to tackle the research questions proposed.

The empirical chapters of the thesis attempted to unpick the research questions outlined, investigating a number of different arguments which underlay current welfare-to-work policy processes. The first empirical chapter elucidated upon whether welfare-to-work discourse is economically necessary or driven by political ideology. The second empirical chapter went on to examine the tactics and strategies being utilised by the stakeholders (conductors, implementers and recipients) involved in the process of welfare-to-work. The final empirical chapter dealt specifically with the responses which have come to fruition to overcome the reforms to welfare-to-work policy. In particular it focused on forms of co-operation, resistance and coping strategies which are being used to negate the impacts of current welfare-to-work policy in the UK.

In this way, it is now important to collate the findings of each empirical chapter in order to resolve the research questions proposed at the beginning of the thesis, and to identify the original contribution that the thesis has made to the existing theory and literature on austerity, welfare reform and welfare-to-work in the UK.

8.1.1 To what extent is austerity influencing the nature of welfare provision in cities?

The research undertaken in this thesis indicates that there is a strong relationship between the severity of austerity measures being implemented by the Coalition Government and the sincerity of the welfare reforms being enforced alongside. Whilst austerity has been framed as an economic necessity as part of reducing the national deficit (MacLeavy, 2011), it has arguably been a politically conscious decision to target the welfare benefits of those vulnerable members of society such as the disabled and unemployed at the same time as protecting those of core voting groups such as pensioners and middle income families (Casebourne, 2010, cited in JRF, 2010:13). What has also come through from the research is that there have been disputes between the main political parties in the UK over how deep or fast cuts have needed to be made, and whether it has been necessary to impose such a heavy burden on those already significantly marginalised from society (König, 2015; Gaffney, 2015). However, what has also emerged is that the savings made are almost insignificant in comparison to the level of savings needing to be made, implying that the politically motivated cuts to welfare provision are symbolic rather than a genuine policy to save money (Taylor-Gooby, 2012a).

It has emerged that one of the key attributes of the Coalition Government's welfare-to-work reforms has been to make work pay (Newman, 2011). Whilst this rhetoric has been portrayed as an economic prerogative for encouraging citizens to take greater responsibility for their own welfare through work (Vis et al., 2011), there have been equally strong arguments that using the 2008-9 financial crisis to advocate welfare responsibilities over the rights of citizens has essentially been part of a wider Conservative agenda for a smaller state with less obligation to its citizens, and more obligation to the neoliberal market (Peck, 2012; Howell, 2015). The interviews conducted confirm that the current rhetoric appears more focused on getting people off benefits than into sustained and meaningful employment.

The research has also identified a clear extension and intensification of the welfare-to-work rhetoric which has been implemented by the Coalition Government. Indeed, the level of conditionality and sanctioning for those receiving out of work benefits has been ratcheted up since 2010 as citizens are incentivised to take greater responsibility for their own welfare through work (Newman, 2011). In essence the

safety net of the British Welfare State is no longer the right of those who are poor, but is the preserve of those who are poor but seeking work. The findings of the research suggest that securing and maintaining entitlements to benefits has become a full time occupation in itself under the Coalition Government. This intensification of welfare-to-work policy has also been extended beyond those who are un(der)employed to the sick and disabled, who are now required to undertake strict examinations in order to prove that they are entitled both to their disability benefits but also exemption from the welfare-to-work rhetoric in place (Standing, 2011; Weston, 2012). The research has unpicked this process to discover that entitlement to the full spectrum of disability support is now founded on a physical assessment around a person's ability to perform work and takes no consideration for whether an individual is actually fit for work. In this way, disability and sickness have been redefined to fit with the political rhetoric which has been implemented (Roulstone, 2015). The consequence is that there are now more people actively seeking work than before the 2010 General Election, coupled to fewer claimants of unemployment and disability support. This is a particular issue given the inability of the labour market to absorb such an increase.

However, whilst this process is simply an escalation of what had come before under the previous Labour Government, there are distinctly new elements of the current welfare-to-work policy which have been uncovered. The main facet of this rhetoric is the extension of welfare-to-work to those already in some form of employment but who are still entitled to a certain degree of welfare support (Dwyer and Wright, 2014). The rhetoric advocated by the Coalition Government involves not only making work pay, but that work should continue to increasingly pay until an individual or family is able to take full responsibility for their welfare through paid earnings. This is a key point, because more is now spent on in-work benefits than is spent on those out of work. The welfare-to-work criteria for those in employment now apply conditionality which is just as strict and punitive as for the unemployed and disabled (Etherington and Daguerre, 2015). Benefit receipt is now based on the condition that recipients in work continue to search for more hours and higher rates of pay until the point at which they are no longer entitled to welfare support. Failure to achieve this leads to benefits being sanctioned. This is inherently different to policy measures delivered in the past where access to benefits for those in work was unconditionally provided,

and so this drive for all benefit recipients, both in and out of work, to take greater responsibility for their welfare, has formed part of a more extensive attempt to reduce the burden of welfare costs on the state in favour of the individual (Larner et al., 2013). It therefore also marks a significant change to the social contract which exists between the state and its citizens.

The research has also unearthed a distinctive change in attitude towards welfare and welfare recipients. Whereas in the past welfare and benefits were seen as a necessary aspect of state provision to assist those who had fallen on hard times or were unable to support themselves, under the Coalition Government there has been much more emphasis placed on the idea of fairness and that everyone in society should take on their fair share of the burden brought about by austerity measures (Gregory, 2014). The research has uncovered that there is a dichotomy appearing between the deserving and undeserving, with the former becoming the preserve of those in work but on low pay as opposed to being the right of the unemployed and vulnerable (Petersen et al, 2010, cited in Vis et al., 2011). Much of this rhetoric appears to be politically driven, with significant emphasis being placed on fairness and a responsibility for citizens to find work to contribute to the same extent as hard working members of society. In this way, a hostile undertone towards those deemed not to be taking their fair share of the pain associated with austerity cuts has become prevalent, a factor which has been seized on by the politicians and in subsequent rhetoric (Hamnett, 2014).

The stakeholder interviews also highlighted Universal Credit as an important feature of welfare-to-work under the Coalition. Whilst appearing to be new, in reality it is the amalgamation and extension of policies which were already in place in the past but which have been reworked to suit policy objectives of the Coalition. The policy has been designed to incorporate a variety of political rhetoric whilst simultaneously simplifying the entitlements that citizens have to access benefits and providing greater incentives to work additional hours (McCollum, 2012). However, the stakeholder interviews identify that the policy process serves only to clarify the lack of advantage to working extra hours above the threshold for maximising benefit entitlements. In this way both employers and employees are subsequently designing work (low paid and part time) and tailoring behaviour around maximising benefit income rather than maximising income from employment as the policy intends.

Criticisms have also been levelled at Universal Credit because it has been devised as a way of cutting the cost of benefits on the state in favour of paid employment, however in the short term under the auspices of an austerity mandate it actually serves to cost more rather than less, with these rising costs being continually shifted back onto the state rather than employers and citizens (Johnston et al., 2011).

Finally, one of the major sticking points which can be isolated from the interviews conducted is that the welfare-to-work policies conveyed and implemented by the Coalition Government have incurred a number of contradictions. The first and arguably most important involves the rhetoric to make work pay. The policies which have been implemented assert that by getting people into work and eventually off benefits both provides citizens with the opportunity to take greater responsibility for their own welfare, as well as lessening the burden on the state (Larner et al., 2013). However, stakeholder interviews have elucidated that making work pay for everyone simultaneously (both now and in times of future hardship) is a myth, because there will always be winners and losers depending on which groups of people policies are designed to help, and the Coalition Government has attempted to disregard the importance of income in favour of the opportunities that welfare-to-work provides. In a similar way, work will only pay if jobs are available for people to move into (Taylor-Gooby et al., 2014).

Under the Coalition Government, benefit claimants both in and out of work have been forced to search for jobs which are not necessarily available as the economic recovery from the 2008-9 crisis continues. In this way, a lack of available employment opportunities has led to a large number of people being sanctioned for reasons which are potentially out of their control. To add to this, reducing the dependency people have on state benefits requires them to take on sustained full time work, however the research has found that many of the jobs that people are being pushed into in order to keep their benefit entitlements are temporary or part time, and frequently low paid. Essentially then what has come out of the research is that people are being penalised for living a life with some sort of reliance on the benefits system, however there is no suitable alternative, making the conditionality and sanctioning elements of welfare-to-work punitive rather than effective (Tarr and Finn, 2012). This led some interviewees to assert that the welfare-to-work rhetoric was more about getting people off benefits than actually helping them to take greater

responsibility for their own welfare through employment, and that a lack of opportunities is as much of a deterrent to work as a generous benefits system (Peck, 2001; MacLeavy, 2011; Standing, 2011). What is more, it was highlighted in a number of interviews that the current climate of welfare retrenchment and the predominance of low paid work could actually leave people worse off in work than on benefits, and this creates tension and less acceptance of welfare-to-work policies because people do not necessarily feel better off and more secure in work than out (McCollum, 2012).

Table 8.1 elucidates these findings more clearly, asserting what I believe to be the aspects of the reforms which are qualitatively new, which have shown a renewal of characteristics already in place, and which nuances have remained the same as before. What it asserts is that rather than there being a distinctive post-neoliberal turn as has been pontificated in the academic literature, many of the welfare reforms and austerity measures which have come to fruition under the Coalition Government have sought to further embed the market-led discourse of Neoliberalism through welfare-to-work (Newman, 2011). Indeed it appears that the reforms have been more a (re)new(al), an extended and intensified version of the policies previously in place, which have strengthened the neoliberal prerogative and altered the dynamic of the state-citizen relationship in favour of the economic over the social (Taylor-Gooby et al., 2014; Howell, 2015). Thus the processes of welfare reform and welfare-to-work are less of a post-neoliberal shift (Peck et al. 2009; Peck et al., 2010), and more of a strengthening of the ‘actually existing Neoliberalism’ (Brenner and Theodore, 2002) seen in welfare geographies prior to the 2008-9 financial crisis. Despite this, there are qualitatively new elements within the discourse predominantly relating to the responses which are emerging at the local level to mitigate the impacts of such a (re)new(ed) neoliberal agenda.

Table 8.1 - Breakdown of research findings: austerity and welfare-to-work post-2008 financial crisis

8.1.2 What political strategies and their associated material effects are emerging in response to austerity?

The research has found that the main strategy of the Coalition Government has been to incentivise work and greater responsibility for citizens in providing their own welfare (Newman, 2011). Welfare-to-work policies are intended to facilitate the mandate of neoliberal market forces by pushing the unemployed into low paid work through the use of conditionality and sanctioning (Taylor-Gooby, 2015). As a result, the role of the state has changed from one of demand to supply by providing employees for low paid work in the private sector rather than providing jobs in the public domain (Taylor-Gooby, 2015). This has accompanied a shift from full time public sector employment, towards part time, low paid work in the private sector. Indeed the ideological goal of the Coalition Government for a smaller, less accountable state has meant strategies are designed to lower entitlements to benefits by forcing people into work, often any work at any wage (Taylor-Gooby, ibid).

What this means is that a qualitatively new situation is arising, with dependency being transferred from one part of the labour market to another. The stakeholder interviews elucidated that this transfer has taken several forms as benefit eligibility is tightened and scrutinised. Whilst dependency now has a significant presence within the active labour market through those people in low paid employment, it has also been altered as people formerly classified as sick or disabled are moved onto employment support (Standing, 2011; Roulstone, 2015).

The research has also unpicked the strategies and nuances involved with the Work Programme. The Coalition Government has subcontracted the welfare-to-work process out to private providers, with payments made based on the number and difficulties of finding clients work (Wright, 2012). It has become clear that many of these Work Programme providers are purely interested in maximising short term profitability, and so frequently ‘cream’ off the most easily placed clients and ‘park’ those who require significantly greater investment of time and money (Rees et al., 2014). In such instances, local voluntary organisations with considerably fewer resources are being left to take on the responsibility of supporting more challenging individuals through a cycle of low pay and no pay (Standing, 2011). The unique

aspect of the Work Programme which appears to be qualitatively different from strategies devised in the past is that it appears to reinforce neoliberal ideology with seemingly limited interest in getting people into sustained and meaningful work, with emphasis instead placed on removing clients from the benefits roster. There has also been an increase in the use of sanctioning as an alternative to active job search support. The stakeholder interviews assert that this now applies as much to the long term sick and disabled as it does to the unemployed. In effect what has come to fruition is that welfare has been replaced by workfarist social policies to conform to the will of neoliberal market economics, leaving the most vulnerable in society increasingly marginalised (Peck, 2012; Taylor-Gooby et al., 2014).

Henceforth another major political strategy which has emerged is the drive to lower the burden of welfare on the state, primarily by passing the responsibility for implementing and dealing with the impacts of welfare-to-work on to private and voluntary sector providers (Jones, 2012). Whilst this arguably gives local organisations the opportunity to implant their own blueprint for achieving their welfare aims (Lowndes and Pratchett, 2012), the research implies that it is more about transferring the dependency of citizens from the state to the local level and local providers. And given the capacity of the labour market to absorb the unemployed, particularly when the replacement rate of the private sector is much lower than the levels of public sector employment seen prior to austerity measures being enforced, coupled with the increased use of conditionality and sanctioning, more assistance is needed for those caught up in the Coalition Government's welfare-to-work strategy at a time when resources are becoming increasingly limited. This raises a key finding from the research in that the redefining of vulnerability and the subsequent disinvestment by the state in terms of its accountability towards its citizens has placed a large burden on voluntary organisations in particular which have been left to fill the void in welfare provision left by the state. The research suggests that this issue is most acute in those towns and cities with long standing structural economic problems.

The stakeholder interviews also identified a considerable change in strategy towards disability. The main finding is that disability has essentially been redefined such that it is now based purely on a medicalised approach and the ability of an individual to physically undertake work. This is completely different to what has preceded it,

where symptomatic analysis on the part of the individual formed the basis for disability benefit entitlement. Consequentially those with less tangible disabilities have been scrutinised far more than ever before to the extent that they are now being forced from Disability Living Allowance to unemployment benefits requiring them to conform to job search conditionality (Lindsay and Houston, 2011). This is regardless of whether they are actually capable of taking a job at all (Lindsay and Houston, ibid). In line with this, the introduction of Universal Credit has served to affect the sick and disabled far more than most, because if people are not capable of taking work or even finding an employer to take them on, they will inevitably fall foul of the strict sanctioning which forms part of the reformed welfare system (Wright, 2012).

However, with these strategies come a number of unintended consequences and contradictions which challenge the plausibility of Coalition rhetoric and which convey that strategies around welfare-to-work are not silver bullet solutions to tackling welfare spending and dependency. For a start, the research has shown that utilising strategies to force benefit recipients into low paid work does not necessarily leave people better off than they were living on benefits. This is due to the taper in the value of their benefits, coupled to additional costs such as childcare and transport, which may only leave people marginally better off than they were before, or perhaps in some cases even worse off. The consequence is that the behavioural change intended becomes less likely because people see no advantage of giving up their benefits to leave themselves worse off in work in the long term (Newman, 2011; Taylor-Gooby et al., 2014).

This unintended consequence has been compounded by the introduction of Universal Credit which has simplified the benefits system and clarified even further the extent to which people are better off in the low paid work compared to benefits (Royston, 2012). However it has also served to reduce the likelihood of employers offering opportunities for full time work. If genuine behavioural change were desired then benefits would have to be capped at a far lower level such that the only rational decision for people would be to look for work. In a similar manner, the research has elucidated that work can never pay for everyone simultaneously, and that the strategies of the Coalition Government have incorporated a distinctive politicised undertone to protect core voters and key constituencies, mainly wealthy pensioners

and areas of the South East of England. The result has been an uneven distribution of cuts, with areas of traditionally high public sector employment and lowest electoral significance such as in the North West hardest hit.

Welfare-to-work and its effects are most apparent at the local level (Lowndes and Pratchett, 2012). The strategy therefore also falls down due to a mismatch between the number of unemployed and the number of job vacancies available. The result is that because prescribed policy strategies do not fit the specific situations seen at the local level, people end up being punitively penalised for being unemployed when there is limited prospect for them finding work (Taylor-Gooby, 2012a). A corollary of this shown by the research is that the influx of low paid work resulting from neoliberal welfare reforms has led to a shift of the costs of welfare away from individuals and employers back towards the state, which as a result of its political strategies around welfare-to-work, has been left to top up the meagre earnings of a large number of people previously out of work, and who subsequently remain dependent on state benefits to one extent or another. In addition to this, a unique outcome of the research has been to note that welfare-to-work strategies are also drawing people previously working full time and independent of welfare, back into the benefits system, increasing the dependency on and the cost to the state.

Furthermore, there is also a contradiction for in-work conditionality. This strategy intends to push people to continue to look for additional work until they earn enough to become ineligible for welfare benefits. The problem arises when jobs being created are part time and low paid, and so it frequently becomes an issue when employees require additional hours which are simply not available, leaving them susceptible to sanctioning. This again shows that the strategy has been more about getting people off benefits rather than into sustained work, because lower benefit claims do not necessarily conform to higher employment rates.

The political strategy to reform disability entitlements has also unearthed a number of unintended consequences. Whilst the research indicates a clear shift in dependency from disability claimants towards the unemployed, it is questionable whether or not individuals affected by the changes actually have reasonable prospects for finding a job (Standing, 2011). Many do not feel capable of undertaking work on a regular basis, and this is being reflected in the labour market which in

many cases is not suited to absorbing a large influx of formerly disabled individuals (Weston, 2012). A further consequence is that the strategy to lower the number of people able to claim disability benefits has had only limited success because the loss of entitlements has led to others making conscious decisions to leave work in order to perform caring roles, which has served only to increase unemployment and dependency (Carers UK, 2012).

Other strategical contradictions which have been unique to the Coalition welfare-to-work rhetoric have involved changes to housing benefits. The research has shown that changes to Council Tax obligations and the Bedroom Tax have left many benefit recipients in difficult situations. With additional taxes to pay, significant numbers of people are having to make difficult decisions about which bills to pay and how much to spend on basic commodities such as food and heating, as they have seen the value of their benefit income shrink. Indeed, many people receiving only the most basic levels of benefit income are now being forced to pay a proportion of their Council Tax bill, and a lack of suitable housing provision in many localities has left the Bedroom Tax unavoidable to compound this.

8.1.3 How are the least insulated cities acting as locations of co-operation and resistance to such strategies and policy processes?

The research has uncovered that there are a wide range of specific responses to austerity and welfare-to-work policies taking place, many of which are qualitatively new as conditionality is extended and intensified and which leads to unintended and contradictory effects coming to the fore. Firstly, individuals and organisations are adapting to the strategies and policy processes taking place. Local authorities in particular have to adapt to lower incomes both in terms of cuts to government funding streams and revenue from falling tax receipts (Stoker, 2011, cited in Lowndes and Pratchett, 2012:28). Resources are becoming ever more stretched in multiple directions, particularly in towns and cities in the North West of England which have a high number of welfare dependents. Consequently many are necessarily having to prioritise which areas of spending they need to maintain above others, and are beginning to think critically about making efficiencies and innovations in service delivery and savings.

In this sense, private and voluntary organisations are taking a much more central role as services are outsourced due to their ability to provide services more cheaply and efficiently than the public sector (Lowndes and McCaughie, 2013). In this way the costs of dependency are being transferred from one stakeholder to another, and do not really solve the problem of high welfare costs and dependency. In addition, whilst this transfer provides voluntary organisations with an opportunity to take a more pivotal role in the provision of welfare (Ross, 2009), it is not always positive, because voluntary and private organisations could potentially become lumbered with costly liabilities which they do not have the resources to accommodate, in a similar way to how the most challenging, and therefore expensive, people to support through welfare-to-work are passed along to voluntary groups. Whilst this is nothing new, it is happening to a much greater extent than before as local authorities are required to make deeper and faster cuts to spending and thus need to offload their most costly assets.

However, what has also arisen from the research is that the reality of this outsourcing in a number of instances is that services are being placed in the hands of the private sector rather than with local voluntary organisations, which has led to the implementation of solutions which are inappropriate to local circumstances (Rees et al., 2012). The result appears to be that the capacity of local voluntary organisations to support people through welfare-to-work is falling away due to lack of funding.

Another significant finding which has arisen from stakeholder interviews is that local authorities as well as private and voluntary organisations are adapting to increased and dependency on welfare support services by increasing the number of staff to meet with the rising demand. This is a unique situation, because they are increasing the amount of resource they have dedicated to welfare-to-work at a time when resources are being cut. This additional staffing is required not just for those who are unemployed or disabled, but also for citizens in low paid work, particularly concerning issues around debt, fines, court summons, as well as the Bedroom Tax and Council Tax changes. Furthermore, for the first time these organisations are having to be proactive rather than reactive in order to support people before they present themselves with a multiplicity of issues, as well as the threat to income streams from resistance or the inability of people to pay. Such initiative is crucial

given the problem of benefit recipients appearing to frequently choose to search for alternative methods of accessing benefits rather than accepting responsibility to find work.

The research has also uncovered that the type of advice and support that is being provided has also changed under Coalition welfare-to-work policy, with much more focus now being placed on work and financial responsibility as opposed to accessing benefits as was the main form of query in the past. What is most certainly qualitatively different from what has been seen before according to many of the stakeholders questioned, is that not only has the demand for support risen dramatically, but more importantly that the increase in demand for support from people with multiple problems has been unprecedented.

With reductions in funding, there has come an inherent need to innovate and therefore do more with fewer resources, meaning that co-operative working between local authorities, the private sector and voluntary organisations has become vitally important and necessary in order for welfare support objectives and demands to be met (Bunt and Harris, 2010). With this in mind, the stakeholder interviews have clarified that the increasing demand for welfare support and advice has required many organisations to increase their capacity and provide staff with additional training. Another concerning trend is that many are now accommodating funding shortfalls with increasing numbers of volunteers in order to stretch resources further (Lowndes and Pratchett, 2012). However, the need to innovate has by contrast provided organisations with a much greater opportunity to decide how welfare services should be prioritised and delivered.

Another important innovation which several stakeholders alluded to was the increased use of analysis and quantification to assess the impacts of welfare reform. Particularly in the case of local authorities and voluntary organisations, the analysis of impacts has enabled the more effective channelling of resources to the services which are in the highest demand, such as debt advice, accessing benefits, and job search (Martin, 2012; Lowndes and McCaughie, 2013). In a similar way, the research identified the importance of background planning processes to maximise the potential of resource limitations. Such processes might include the upskilling of staff to meet changing needs, raising awareness of welfare reforms and their

consequences, and being much more flexible, proactive and pre-emptive in an attempt to prevent issues at source and lessen the strain on already stretched resources as a result (resilience planning). A clear example of where this is needed surrounds the Coalition Government's digital agenda around benefit claims, which was highlighted by a number of local stakeholders. This was because there have been inherent difficulties in transferring central state rhetoric down to local contexts, with problems concerning IT literacy and access for claimants, as well as staff lacking the skills to be able to help effectively.

What has also been made abundantly clear throughout the interview process however is that being proactive and innovative can only be sustained to a certain point under relentless conditions of austerity and welfare reform, and at some point the quality and quantity of welfare support will begin to decline. In particular, the exponential increase in the use of conditionality and sanctioning processes has put enormous strain on advice and support services (Dodds and Paskins, 2011). The task of providers is being made even more difficult due to the limited number of job vacancies available for people to move into, and so in this way austerity can be seen to be limiting other policy objectives such as those concerning welfare-to-work (Newman, 2013).

Another key response which has emerged from the research is the reconfiguration of co-operative working practices, both regionally and locally. Under previous governments there was a strong presence from regional umbrella bodies to co-ordinate and manage the implementation and response to government policies, however under the Coalition these have been axed making it more difficult to pool and maximise the reach of limited resources (Hadis, 2014). Whilst regional bodies have been replaced with LEPs (BIS, 2015), co-operation within the remit of these organisations has proved to be significantly more difficult. In the North West region, this has meant a lack of joined up responses between organisations in different localities. However in contrast, there appears to have been an upsurge in co-operation within individual local areas and within individual towns and cities, especially between local authorities and other private and voluntary organisations (Theodore and Peck, 2011; Lowndes and McCaughie, 2013). The research has indicated that with increasingly limited resources to utilise, there has been an emergence of much more joined up working practices and partnerships, especially

around the implementation of Universal Credit, in order to pool resources and maintain as far as possible their capacity to respond to the impacts of welfare reform under austerity. The practices include the sharing of facilities, staff and training programmes, alongside the closing down of expensive assets.

There has also been a rise in the amount of collaborative monitoring and analysis of the impacts of welfare reform. Several stakeholder interviews highlighted that the ability of local authorities and voluntary organisations to target their resources where they are most needed has become far more effective since sharing information with each other because it provides each organisation with a much more holistic picture of the needs of the citizens their services cater for.

Despite this, the austerity measures have had a number of contradictory consequences for co-operative working practices at the local level. Firstly the removal of regional bodies has the potential to encourage protectionist behaviour amongst towns and cities, which due to fewer resources, become more focused on protecting their own resources and in turn their own priorities and goals for welfare support (Pugalis and Townsend, 2010). In a similar way, the removal of area-based grants has served to dramatically reduce regional and local co-ordination as there is no longer the financial incentive in place to do so. As a result, any remaining co-operative working that does take place is based on achieving very specific, individualised objectives which might overlap (Hadis, 2014).

The research also highlighted the growing importance of alternative sources of income, particularly for voluntary organisations which face a sink or swim scenario under conditions of austerity and a significant increase in resource demand in recent years, especially when the voluntary sector is taking an increasingly important role in welfare provision as the Welfare State is progressively rolled back. In particular, there has been a tendency for local authorities to subcontract welfare services they can no longer afford to accommodate, and has meant voluntary organisations competing with other private entities for contracts, and hence funding, to run them (Standing, 2011). The interviews have indicated that voluntary organisations are losing out on vital funding to the private sector due to a lack of experience in writing and presenting service bids. This creates problems because the private sector generally offers generic blueprints which often fail to fit with the needs of local

circumstances, and provides inappropriate responses to mitigating welfare-to-work, compared with local actors who are more likely to offer a specific and personalised approach to local issues and needs (Rees et al., 2012).

Voluntary organisations are overcoming these disadvantages by forming partnerships to undertake shared bidding, putting them on a stronger footing and in turn enabling them to compete with private sector providers. In a similar way, local authorities are starting to acknowledge the value of local knowledge which voluntary organisations offer. As a result many are now taking a mixed approach to subcontracting welfare services, with private and voluntary organisations working together to provide an efficient and effective service. However one issue that the research has highlighted is that when voluntary sector organisations do manage to secure funding, it is very often short term and therefore there is limited scope for what can be achieved to tackle the impacts of Coalition Government austerity and welfare reform. In this way then, funding provision needs to be longer term in order to having lasting positive effects on those affected by welfare-to-work.

Another significant response which emerged from the research was the role of resistance to the reforms taking place, particularly in those areas which exhibit historically weak economies and high social security spending. There is clearly a level of tension along political lines as invariably it has been Labour controlled local authorities which have borne the brunt of the Conservative-Liberal Coalition austerity measures, which in turn only hinders the implementation of welfare-to-work policies in such places. Further to this, local authorities are resisting welfare reform policies by actively looking to maximise benefit entitlements for their citizens, therefore mitigating the impacts of welfare-to-work instead of encouraging acceptance of it (Peck and Theodore, 2015). This is also increasing the cost of welfare to the public purse as resistance has heightened from people determined to access as many benefits as possible instead of searching for work. The research has also shown an increasing trend in resistance through challenging welfare-to-work policy in court, particularly around disability entitlements and Work Capability Assessments, and the rising cost of welfare provision on the state due to a significant number of challenges being successful. However, the cuts to the legal aid budget means challenges can only be sought if alternative legal funding can be secured (Griffiths and Patterson, 2014).

What can also be garnered from the research is that cities act as major convergence points for resistance, both for traditional forms such as protests but also for more novel forms as mentioned previously. This is because resistance is crucial in those places where welfare-to-work measures are punitive due to lack of jobs and high dependency on the Welfare State (Theodore and Peck, 2011). Cities are also important in terms of co-ordinated resistance whereby opposition to policy is stronger between cities as well as just within them (Peck and Tickell, 2002; Peck, 2013). Whilst it has been unexpected for the Coalition Government that people are not accepting their new welfare responsibilities, protests and other forms of visible resistance are much more muted now than they have been in the past, particularly given how extensive the cuts and reforms have been (Schulze, 2010). Stakeholders have suggested that these forms of resistances seem to be less influential than in the past, with many people now feeling that such efforts are pointless and futile. However, there could still be a tipping point in future where the cuts and conditionalities become so severe that they are more than citizens are willing to accept.

However, resistance is not always a positive facet in the face of welfare reform. Stakeholders assert that there is a definite lack of education and understanding around welfare reform and welfare-to-work, with many of those affected incorrectly blaming local authorities for the impacts they are experiencing. Resistance to reform also leads to misconceptions and mis-advice amongst peers, which can make it more difficult to assist those in need. People are frequently choosing to bury their heads in the sand and ignore the problems they face, inevitably making their situation worse. Resistance to welfare-to-work policies also creates issues for local authorities who, as a result of lower incomes, find it increasingly challenging to fund advice and support services.

The final type of response to Coalition Government welfare reform which was raised in the stakeholder interviews were the coping strategies coming to fruition. One coping strategy for organisations such as local authorities and voluntary groups is to innovate, in order that they can maintain the quality and quantity of welfare service provision as far as possible despite fewer resources being available (MacKinnon and Driscoll Derickson, 2013). In terms of the coping strategies of the people affected by welfare reform and welfare-to-work, the research has found that a number of

strategies are emerging such as an upsurge in the demand for welfare advice and support services and increased applications for alternative sources of funding such as DHPs. Despite these, the research notes that people often seek ways of maintaining dependency rather than choosing to work or take on additional hours. Other coping strategies highlighted by the stakeholder interviews mainly concerned people not coping at all. Interviewees frequently alluded to people burying their heads in the sand, or using payday loans and loan sharks, as well as increasingly turning to food banks and cutting back on essentials such as food and heating. Debt problems are increasingly becoming an issue.

Thus because work has a spectre of being a coping strategy of last resort, welfare-to-work policies are frequently being undermined because they are failing to deliver the desired behavioural change and dependency on the state remains high, elucidating the need for a change in government policy approach around welfare-to-work (Taylor-Gooby, 2012a). Subsequently this creates significant problems for the organisations tasked with dealing with the fallout from welfare reform and welfare-to-work particularly, because people are waiting until they are deep in crisis before seeking help, and the lack of suitable work available makes it difficult to support people out of a cycle of dependency and low pay/no pay (Taylor-Gooby et al., 2014).

Conceptually then, it is important to gauge the outcomes of co-operation, resistance and coping strategies emerging. In terms of the positive outcomes, there appears to be an increased tendency for co-operative working practices between organisations within local areas and cities within the North West in response to constricted resources. This implies an acceptance of the need to both implement and respond to the impacts of welfare-to-work in a way which channels resources towards meeting and dealing with Coalition Government objectives. In conjunction with this, there have been increased amounts of innovation with organisations having the freedom to be more proactive and targeted in how they deal with welfare reform and mitigate the impacts specific to their localities (Peck and Theodore, 2015). The result is a more effective and resolute response to the neoliberalised processes of welfare reform and its impacts both for organisations and for citizens.

On the other hand there have been a number of negative outcomes. Progressively greater restriction of resources has seen the growth of volunteering to replace the

capacity lost in the public and private sectors, and which could eventually lead to a decline in the quantity and quality of the response to welfare reform available to respond to welfare reform. Furthermore, a lack of funding is creating significant difficulties for voluntary organisations as the cost of dependency is being transferred from the state to the third sector. The situation is being made even more difficult by a rise in protectionist behaviour towards individualised welfare-to-work objectives as funding is curtailed and the incentives for organisations to work towards congruent goals are reduced, as well as the outright loss of virtually all regional level capacity in the North West to respond to welfare reform policies. In a similar way private organisations primarily interested in making short term profits tend to offer generic solutions inappropriate to the local scenario and therefore towards the efficient implementation of welfare reform and welfare-to-work. In addition, any funding which is available tends to be short term, thereby limiting the scope for responding to welfare reform and welfare-to-work.

From the perspective of the individuals affected, many are failing to cope with reductions to benefits access they had become used to, and therefore instead of encouraging people into the labour market, many are finding themselves in crisis situations, possibly due to a lack of education and understanding of the welfare reform process. However the lack of suitable employment available in the North West which meets the criteria for making work pay also plays a significant role. Responses include utilising loan sharks and pay day loans, food banks or ignoring their welfare responsibilities altogether, processes intended to maintain rather than diminish dependency on state benefits. Welfare-to-work is therefore seen as a last resort, that policy does not make work pay, and hence a defiance of government welfare-to-work policy. Overall it appears that Coalition Government welfare reform policies have had limited effect on reducing welfare expenditure and encouraging citizens to take greater responsibility for their own welfare provision. Whilst there have been positive moves in the direction of reducing the input of the public sector from local authorities in North West cities, the alternatives coming to fruition have been relatively ineffective in achieving welfare reform objectives, especially around welfare-to-work and making work pay. Indeed for many benefit claimants, work is seen as a last resort only to be accepted when all other avenues of income are

exhausted, and which in turn are creating deeply embedded crisis conditions which make the objectives of welfare reform increasingly difficult to implement.

8.2 The UK General Election: something new or more of the same?

The UK General Election in 2015 has put the issues of austerity and welfare reform in a prominent position following the extensive policy discourse advocated by the Conservative-Liberal Coalition over the preceding 5 years. In a similar way to the election in 2010, all 3 of the major parties approached their election campaigns advocating continued economic prudence and therefore a further period of austerity and welfare reform as a consequence. In this way then, the manifestos of these parties offered much more divergence of policy compared to what was seen in 2010. The Conservatives pledged to continue with their economic plan, proposing a further £12bn worth of welfare cuts alongside freezing working age benefits for another 2 years. This would include a commitment to cut public spending in real terms by 1% per year in 2016-17 and 2017-18 and freezing spending in 2018-19 in order to eliminate the budget deficit by this time (IFS, 2015d; IFS, 2015e). However, even cuts to this extent will probably not be enough to offset the deficit by this time, with £23.8bn worth of cuts across all departments likely required between 2015-16 and 2018-19 in order to meet deficit reduction targets (IFS, ibid). Other cuts to welfare included the lower of the benefits cap from £26,000 to £23,000, and restricting housing benefit entitlements for 18-21 year olds (Conservative Party, 2015). By contrast, the Labour Party pledged to guarantee jobs for the under 25's and the long term unemployed, as well as scrapping the Bedroom Tax and to cap welfare spending in line with inflation. They also put significant emphasis on ending zero hour contracts and raising the minimum wage (Labour Party, 2015). The Liberal Democrats devised very similar plans, with policies to cap rises in welfare spending to 1% per year, scrapping the Bedroom Tax, improving the welfare entitlements of the disabled and their carers, and being more lenient on benefit recipients before implementing sanctions (Liberal Democrats, 2015b).

In terms of the prospects for the election itself, the period leading up to polling day indicated that voting would be extremely tight between the Conservatives and a resurgent Labour Party, with voters seemingly unable to decide which party they

could trust to run the country effectively and responsibly. The Conservatives were billed as the party which would continue to run the country in an economically viable manner, yet in doing so would continue to cut the public sector and welfare in particular in a deep and rapid fashion. Labour on the other hand appeared to lack the trust of the electorate based on their economic record from the last time they were in government prior to 2010, regardless of their promises to significantly upscale public spending and protect welfare to a much greater extent than their Coalition rivals. Moreover, the Liberal Democrats were being portrayed as the party which sold out on their election pledges, particularly around tuition fees, and despite their contention to offer policies of a fairer and more prosperous society for all, were expected to suffer a heavy defeat on polling day.

Henceforth when the election took place on the 7th of May 2015, a number of interesting results came to fruition. Despite widespread predictions of a hung parliament with no overall victor, the Conservatives led by David Cameron emerged as the winners with an overall majority, although small, in the number of elected MPs. The Conservative Party secured 331 of the 650 seats available (51%), with 232 (36%) going to Labour, and the Liberal Democrats as expected falling behind as the fourth largest party taking only 8 seats (1%) compared to that of the SNP which managed to secure 56 out of 57 seats in Scotland, and 9% of the vote. The result means a further 5 years of Conservative driven policies advocating more austerity and welfare-to-work rhetoric, with ideals being based on making work pay and incentivising work over state benefit dependency, and to “reward hard work and protect the vulnerable” (Conservative Party, 2015:27). Subsequently, their welfare policies are in the main very similar to what has come before under the Coalition, however now the Liberal Democrats are no longer in government to reign in these cuts and reforms, they are likely to go further than previously. Policies include cutting income tax for those on low pay, at the same time as further restricting benefit eligibility and continuing to strengthen welfare-to-work conditionality and requirements on recipients whilst simultaneously protecting the entitlements of pensioners. They intend to lower the benefit cap from £26,000 to £23,000 in order to push a greater number of people towards the labour market, as well as offering a new tax free childcare scheme (£0.8bn spending commitment) and the extension of free childcare to the low paid (costed at £350m) as an incentive to get parents back

into work sooner (IFS, 2015d; IFS, 2015e). They are also emphasising their Big Society and the increasing importance of volunteering over state-led provision in the future (Conservative Party, 2015).

However, questions remain about where future welfare cuts will come from, given how drastically welfare entitlements have already been curtailed in the last parliament. With their continued commitment to protect the benefit rights of pensioners, along with fresh spending commitments to childcare, social care and higher education, and with the extension of existing cuts unlikely to fill the proposed void, it is possible that an entirely new raft of cuts will be announced when the Chancellor George Osborne reveals his second budget of the year in July 2015 (IFS, 2015d; IFS, 2015e). Whilst it remains to be seen which areas of welfare reform will be targeted, it is likely that tax credits, housing benefits and disability benefits will face substantial reductions, having been partially protected by the Liberal Democrat element of the Coalition from 2010-2015 (IFS, ibid). Thus it appears that welfare and welfare-to-work policies can be expected to exhibit more of the same characteristics seen under the Coalition, but will be increased and strengthened as the Conservative Government look to further reduce the budget deficit by reducing welfare entitlements and pushing citizens further towards a neoliberal labour market (Peck, 2015).

But what does this mean for the current research project? Whilst the welfare-to-work policies that the next Conservative Government is likely to pursue are very similar to those of the Coalition, they are intended to be even more strict and extensive than has been the case from 2010-2015. This will have significant implications for the responses emerging in response to this policy discourse. Many of the coping strategies, both for organisations and citizens at the local level, were already stretched to breaking point by the previous raft of welfare-to-work policies, and my research suggests that this latest extension and intensification could act as a tipping point beyond which there is a sink or swim scenario. For organisations, it could mean having to make difficult decisions about where to prioritise funding, and with further cuts to tax credits, housing benefits and disability benefits to add to existing need for advice and support around Universal Credit and welfare-to-work, there could be a large swathe of citizens who are excluded from support networks altogether. Whilst welfare-to-work measures will not be impossible to deliver in the next parliament to

2018-19, it will prove significantly more difficult (IFS, 2015d; IFS, 2015e). For the people affected, the intensification of the welfare reforms could lead to many slipping further into crisis, resulting in progressively fewer tools available to enable people to cope with reduced benefit income. However, from my research one problem is that it remains to be seen whether this will lead to people taking on work to mitigate their situation, or whether they will continue on a downward spiral deeper into crisis and dependency, especially when fewer resources are available to support them.

Furthermore, the latest budget is likely to focus on the same social groups that have been implicated in the past, with the unemployed, disabled and those in low paid work most heavily affected by the next round of welfare reforms and welfare-to-work initiatives (IFS, 2015d; IFS, 2015e). Indeed, my research shows that with pensioner benefits continuing to be afforded significant protection from the cuts, along with a commitment to increase spending on free childcare to encourage parents back into work, the proportion of the welfare budget targeted for spending cuts becomes far more narrow, with the same group of working age benefits recipients bearing the brunt of the cuts, totalling 10% of all unprotected working age benefits (IFS, ibid). In this way, it is difficult to see how the public sector in the North West of England will be able to absorb the depth of cuts anticipated in the next parliament. Whilst the policy agenda intends to push more people towards the labour market and in turn away from dependency on state benefits towards responsibility on employers and individual citizens, my research shows that one problem with this in the future is that the reduction in benefit entitlements will not be compensated for by the increase in earnings from paid work. This means that the renewed austerity and welfare-to-work policies of the Conservative Government will serve only to maintain benefit dependency as opposed to enabling people to take greater responsibility for their own welfare. For instance, the reduction in benefit provision to the unemployed or low paid will not lower the number of people dependent on state support, because whilst the unemployment figures will appear reduced as the government intends, an unintended consequence is that the dependency will be transferred into the labour market to those in low paid work who still require state support to top up inadequate earnings, even if an increase in the minimum wage comes into effect.

8.3 “Punitive Neoliberalism”: connections with the wider theoretical debate

The final section of the thesis looks at the connections that the research findings have with the wider theoretical debate and academic literature. It has become clear from the thesis that a form of “punitive Neoliberalism” has emerged – a form which is much the same from that seen in the past, however one which has been extended and intensified since the financial crisis of 2008-9 and the implementation of austerity policies by the Coalition Government. In this regard, the linkages with the academic theory can be separated into a number of debates concerning Neoliberalism, austerity, the Welfare State (and with it welfare-to-work) and the state-citizen relationship.

The first question is how do the research findings fit with the wider theory around Neoliberalism. Much of the literature which has emerged since 2008-9 discusses what effect, if any, the financial crisis has had on the neoliberal discourse which has dominated thinking in economic and political geography for a significant length of time. Some academics have suggested that we have entered a ‘zombie’ phase of Neoliberalism (Peck, 2010) - even a period of ‘post-Neoliberalism’ - whereby the relentless drive of market capitalism has ground to a halt as a result of the crisis and marks the beginning of the end for the neoliberal era (Peck et al., 2010). Alternatively, it has also been questioned whether the reality of neoliberal practices post-2008-9 have really changed that much at all (Taylor-Gooby et al., 2014). Indeed the empirical evidence appears to suggest that whilst on the surface there are clear differences in the nature of the neoliberalised austerity politics being formulated as a result of the crisis, in actual fact the ‘actually existing Neoliberalism’ (Brenner and Theodore, 2002) which forms the reality at the local level especially is more of an extension and intensification of the established neoliberal processes already at work. This challenges much of the theory at the core of the post-neoliberal argument, because it suggests that Neoliberalism is alive and well, but simply in an alternative guise to how it has been conveyed in the past. Crucially, the empirical findings show that the key differences between the policies currently coming to fruition and those of the pre-crisis era before 2008-9 are that they are much more penal than before. Prior to 2008 there had begun a process of streamlining the public sector coupled to greater emphasis placed on moving people off reliance on welfare and into work. Under the Coalition Government this neoliberal mandate has been rebranded and

has become far more extensive and intensified for organisations and individuals alike, in what might be described as a type of “punitive Neoliberalism.”

It is also important to gauge how the empirics resonate with the wider debate around austerity. As already noted, under the Coalition Government austerity politics have become much more prevalent than under the previous Labour Government. The rise of more punitive neoliberal practices has extended and intensified the reach of austerity in the UK, leading to significant resource restrictions being placed on welfare providers and in turn continual shrinkage of the public sector as the Welfare State has been placed at the forefront of the cuts being made. In this way, Neoliberalism has continued to form the economic rationale for cuts and austerity, through the inherent need to service the debts amassed in the crisis period of 2008-9 and in turn reduce the deficit in public finances (Theodore and Peck, 2011; Hills, 2011). However, this neoliberal rationale has also been underpinned by a political undertone, to drive through a small state ideology justified by the need to make extensive (yet selective) cuts to the public sector, and in particular the Welfare State (Peck, 2012; Taylor-Gooby et al., 2014, Grimshaw and Rubery, 2012).

The wider theoretical debate has been very much focused on the economic necessity of austerity in recent years, with various arguments being put forward by politicians and economists in favour of the need for far-reaching austerity measures, in conflict with some of the academic literature which renounces the role of austerity completely as being one of political choice. In the main however, the discussion appears to surround a more quantitative approach to austerity and how much of this neoliberal logic can be justified based on what has been implemented under the Coalition Government and its austerity politics (MacLeavy, 2011; Newman, 2011; Newman, 2013; Hamnett, 2014). The empirical research findings annunciate how the depth of the austerity measures inflicted on welfare providers have led to new and unique responses from those implementing and responding to austerity in order to mitigate the negative effects coming to fruition. These build on more general themes of mitigating recent neoliberal welfare policies dealt with in academia (Lowndes and McCaughie, 2013; Theodore and Peck, 2011; Peck and Theodore, 2015). Of particular interest is the central role that cities have to play in articulating these responses to increasingly market-led prerogatives, building on the ideas of Ron

Martin (2012) and Jamie Peck (2015; Peck et al., 2013) in the UK and US respectively.

What also needs to be considered is how the results fit with the debate on the Welfare State. The theoretical argument surrounds the changing nature and role of the Welfare State, and in particular the privatisation and conditionality of welfare provision in relinquishing the burden on the state in favour of private and voluntary organisations, and the additional responsibilities placed on individuals to provide for themselves or to earn the right to access state welfare support through work (Standing, 2011; Peck, 2012; Callinicos, 2012). In this way, there has been increasing literature focusing on the replacement of the Welfare State as a social entity with that of the neoliberal market (Swyngedouw, 2011, Howell, 2015; Peck, 2015). This includes an emphasis on making work pay and thereby transferring the cost of welfare away from the state towards the individual, employers and private welfare providers as part of a growing attachment to a neoliberalised small state ideology (McCollum, 2012; Theodore and Peck, 2012; Dwyer and Wright, 2014). There is also a significant interest in the contradictory nature of privatising welfare provision, and how this resonates with issues around dependency and responsibility (Brenner et al., 2010; Johnston et al., 2011; Patrick, 2011; Newman, 2013; Roulstone, 2015). The empirical data displays that an extension and intensification of active labour market policies is taking place through welfare-to-work and Universal Credit, with specific implications for those unemployed and claiming disability benefits.

Thus whilst the number of people in receipt of benefits has decreased, there has also been an increase in employment, particularly in part time, temporary and low paid positions (Taylor-Gooby, 2015). However, a number of contradictions of welfare-to-work have also become apparent including a mismatch between the number of people moving off benefits and those finding a job, and the ineffectiveness of neoliberal labour market policies in making work pay enough to offset the loss of benefits sustained. These have created uneven geographies of welfare given the capacity for replacing state welfare provision with alternatives or through work under this new form of punitive Neoliberalism, which adds a different geographical dimension to existing research into the geographies of welfare (such as that of Beatty and Fothergill, 2013). Whilst therefore building on the existing literature base,

the unique aspect of the research findings in this regard relate to the specifically punitive nature of welfare-to-work, with conditionality now extended to incorporate those in low paid work and in receipt of benefits as well as those who are disabled or unemployed.

A final reflection which is required is how the results link to wider discussions about the state-citizen relationship. In the academic literature there is general consensus that the state-citizen relationship has changed as a consequence of the financial crisis of 2008-9 (such as Grimshaw and Rubery, 2012). However, the debate remains about whether citizens are now more or less dependent on the state than in the past (Theodore and Peck, 2010; Hamnett, 2014). Whilst the active labour market policies of the state, coupled with the extension and intensification of austerity measures has in theory reduced the role of the state and instead placed greater responsibilities on the individual, employers and others, the contradictions which have accompanied the implementation of welfare-to-work have arguably led welfare recipients to become more rather than less dependent on the state (Theodore and Peck, 2012; Taylor-Gooby, 2015). My empirical research suggests that the Coalition Government has advocated what might be considered to be a *work-first welfare*, whereby welfare support is no longer a right of the citizen, but has instead become an entitlement to be earned in return for work, (cf. Dwyer and Wright, 2014). However, the unique findings of the research show that even being in work is not enough, with in-work conditionality applying to those beneath the welfare benefits threshold, even if measures are more punitive than progressive at getting people into more highly paid, full time work and moving them away from state welfare dependency. This in turn has created more contradictions and unexpected consequences for welfare-to-work and dependency on the state, a recognition that more work needs to be done if we are to better understand the (geographic) causes and consequences of an emergent “punitive Neoliberalism.”

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Appendices

Appendix 1

Draft Interview Schedule: National Stakeholders

Initial Comments

For the benefit of the interview, please could you give a short summary of who you are and what your role is in relation to X in Y (Insert theme and location as appropriate).

Section 1: State welfare provision under austerity and the impacts of the economic downturn

Question 1: *What do you understand to be the post-2008 aim of the Welfare State in today's society?*

Question 2: *Have the underlying principles of welfare provision changed since austerity measures and the financial crisis of 2008 took hold? If so, how?*

Question 3: *Welfare reform is nothing new. The UK government has been engaged in the recalibration of welfare provision arguably since the inception of the Welfare State. However, can you sum up in two or three key points how the latest reforms to provision in the UK under the Coalition have been articulated by the post-2008 economic crisis?*

Question 4: *Which social classes have been most/least affected by welfare cuts? How so, and why? Similarly which places have been most/least affected? (Does the interviewee represent any groups implicated by the issues?)*

Question 5a: *How is the latest welfare reform discourse altering the relationship between the state and its citizens? Why do you think that this is the case?*

Question 5b: *How is the austerity implemented by the Coalition having an influence on the balance in this relationship? Has it led to any skewing of the relationship in favour of one group over the other?*

Question 6: *Do you agree that welfare is being transferred away from the state and public sector towards private provision? Was this process already in motion prior to the Coalition-driven welfare reforms, or is it a trend which is new? Can you provide any examples of where welfare provision has been picked up by private interest groups (i.e. Companies, third sector and charities, family)? What specific issues do you think this raises?*

Question 7: *To what extent are welfare cuts part of a conscious political strategy by the Cameron Government or an inevitable consequence of the global economic crisis?*

Question 8: *Which welfare services are being prioritised given the restricted budget capacities most stakeholders now have (National/regional/local)? Why?*

Question 9: *Which political strategies utilised thus far under the auspices of austerity do you think have been a success, and which have been less so? Why have you come to these conclusions? Can you provide some examples?*

Question 10: *Have there been any unexpected impacts resulting from the implementation of austerity-driven welfare policies? If so, in which areas of provision?* **(Steer from a positive or negative perspective after they have provided their initial response)**

Question 11: *Where is the Cameron government getting its inspiration/ideas/support (particular policy think tanks etc.)?*

Question 12: *Where in Government is this change to welfare policy being driven from (HMT cutting budgets, DWP, BIS, No. 10)? Is there a clear message from Government or do you get a sense there are different views/agendas in different parts of Government? Could you provide some examples?*

Question 13: *What are the most noticeable national changes to welfare provision in cities in this age of austerity? Are the changes to welfare provision occurring generically across cities or are there specific local patterns? Which social groups are most/least affected in different locations? Do particular policies have a larger/smaller effect in different places?*

Section 2: The Welfare Reform Act 2012 and factors

Question 14: *Are the policies coming into force under the Welfare Reform Act 2012 changing the landscape of welfare provision even further than the initial round of retrenchment and cuts? If so, how?*

Question 15: *How confident are you that this latest attempt at welfare reform is the right solution to a supposedly deep-rooted problem in welfare dependency?*

Question 16: *Which aspects of the Act in particular do you think are likely to have to greatest effects on the everyday lives of citizens? Why? Can you think of any examples?*

Question 17: *In your opinion, will those individuals and families reliant on benefits under the previous system be better off under Universal Credit?*

Question 18: *How will the changes to welfare provision ensure that people will always be better off in work than on benefits?*

Question 19: *Do you think that these welfare reforms will have any unexpected outcomes, positive or negative? If so, what, and moreover, why?*

Question 20: *Will the effects of the changes made under the Welfare Reform Act vary by social class, gender, ethnicity etc? If so, why?*

Question 21: *The welfare reforms taking place include more stringent testing and sanctioning processes to those used previously. How will this affect the number and types of people able to access welfare provision going forward?*

Question 22: *Does the political rhetoric being advocated by the Cameron government amount to a coherent plan for fiscal recovery? What role does the Welfare State have to play within such a plan?*

Section 3: What is in store for the remainder of the current parliament?

Question 23: *When additional cuts are made to the ones already in the pipeline, who is next in the firing line? Equally, who is most likely to benefit if at all?*

Question 24: *With the next General Election looming in 2015, what do you think will be the key agendas being debated and contested? Would you expect the approach of the Coalition Government to change considering this? Will they deviate away from their hard line stance on austerity and welfare reform?*

Section 4: Responses to austerity and welfare reform

Question 25: *Which parts of the economy are picking up responsibility for providing the welfare services being withdrawn by the state?*

Question 26: *Are there any instances of where the Cameron government has changed course? If so, how and why?*

Question 27: *Do resistive and coping strategies/actions undertaken by citizens following state retrenchment make policy decisions more difficult to make/implement? Do they have a bearing on how policy decisions might be made in the future, particularly considering the next General Election in 2015? If so, how and why?*

Question 28: *How has the relationship between the state and its citizens changed post-2008 in terms of the bargain between the rights as a citizen versus a citizen's obligations to the state? Are there any good examples of this?*

Concluding Remarks

So then, just to finish off, if I was to come back in a year's time and conduct this interview again, what will have changed (If anything)?

Why do you believe this will be the case?

Ok, thank you for your time today. Is there anything else you can think of which has not been mentioned in this interview which you feel would be important for me to include in my study?

High Priority Questions to Ask: 1,2,3,6,10,14,21,23,24,25.

Appendix 2

Draft Interview Schedule: Regional Stakeholders

Initial Comments

For the benefit of the interview, please could you give a short summary of who you are and what your role is in relation to X in Y (Insert theme/location as appropriate).

Section 1: State welfare provision under austerity and the impacts of the economic downturn

Question 1: *What do you understand to be the post-2008 aim of the Welfare State in the north west of England? How does this differ with other regions of the UK? Why? Can you give examples?*

Question 2: *Have the underlying principles of welfare provision changed since austerity measures and the financial crisis of 2008 took hold? If so, how?*

Question 3: *We know that prior to 2008 government (not least the UK Government) was engaged in welfare reform. So, can you sum up in two or three points what impact the economic crisis and subsequent austerity have had on the provision of welfare services in the North West?*

Question 4: *Which social classes in the North West have been most/least affected by welfare cuts? How so, and why? Similarly which spaces/places within the region have been most/least affected? (Does the interviewee represent any groups implicated by the issues?)*

Question 5: *We know the austerity politics at the national level, but how are these being interpreted and implemented at the regional level? Can you give any examples?*

Question 6: *What are the most noticeable regional changes to welfare provision in cities of the north west of England in this age of austerity? Are the changes to welfare provision occurring generically across cities or are there specific local patterns? Which social groups are most/least affected in different locations? Do particular policies have a larger/smaller effect in different places?*

Question 7: *Research has shown that cities are becoming increasingly important locations for social and economic interactions. Why are cities in particular feeling the most acute impacts of state austerity measures? Are there any interesting examples of this?*

Question 8: *The latest data shows that cities in the NW of England are emerging as being in a more precarious position than others with regard to the effects of austerity and public sector cut backs. How much of this do you think is generic to cities? How much is specific to the NW?*

Question 9: *Why does the North West region and its cities have a historical socio-economic background which makes it more susceptible to the effects of welfare retrenchment and austerity? Can you give any examples?*

Question 10: *Which political strategies utilised thus far under the auspices of austerity do you think have been a success, and which have been less so? Why have you come to these conclusions?*

Question 11: *Have there been any unexpected impacts resulting from the implementation of austerity-driven welfare policies? If so, in which areas of provision? Are there any interesting examples?* **(Steer in positive or negative direction after they have given their initial response)**

Question 12: *Which welfare services are being prioritised in the North West given the restricted budget capacities most regional stakeholders now have? Why? How does this compare with other regions of the UK?*

Question 13: *One issue which is being picked up at the moment is the transfer of welfare provision away from the state and public sector to private interest groups. Do you agree with this? If not, why? Was this a process already set in train before 2008, or is it a trend which is new? Can you provide any examples of how this has*

happened in practice? What are issues do you think this raises (e.g. privatisation of local democracy, asset ownership)?

Question 14: *Cities function in contingent ways both socially and economically. Do different cities in the North West have different welfare agendas (i.e. who/what is being prioritised in different locations)? What effect is this having? Any examples of cities bucking the trend? If so, how are they achieving this?*

Section 2: The Welfare Reform Act 2012 and factors

Question 15a: *When additional cuts are made to the ones already in the pipeline, who is next in the firing line? Equally, who is most likely to benefit if at all?*

Question 15b: *It has been argued in the past that a large, inefficient public sector and welfare budget has stifled potential private sector growth. Therefore do you think the impacts of the Coalition welfare reforms on the North West region, and more specifically in its towns and cities, actually lead to short-term pain for long-term gain for its citizens?*

Question 16: *Will the effects of the Welfare Reform Act differ between regions? Where will the North West region fit into this?*

Section 3: What is in store for the remainder of the current parliament?

Question 17: *With the next General Election looming in 2015, what do you think will be the key agendas being debated and contested? Would you expect the approach of the Coalition Government to change considering this? Will they deviate away from their hard line stance on austerity and welfare reform?*

Section 4: Responses to austerity and welfare reform

Question 18: *Will the quality of welfare provision be affected as well as the quantity of it given the austerity measures? Can you give examples of innovation and more being done with less?*

Question 19: *What forms of cooperation in response to these austerity strategies and processes are coming to fruition and why these specifically?*

Question 20: *Do the forms of co-operation emerging differ between regions? Similarly, are there different forms of co-operation occurring within the North West region itself. How so? Examples?*

Question 21: *Are the forms of co-operation being observed uniform across different groups? Or are there differences being seen depending on class, gender, ethnicity etc? If yes, then how are such differences manifesting themselves?*

Question 22: *What forms of resistance to welfare reform are coming to fruition as part of a response to these austerity strategies?*

Question 23: *Do the forms of resistance to the welfare reforms emerging differ between the North West and other regions, as well as within the region itself? How so?*

Question 24: *Are the forms of resistance being observed uniform across different groups? Or are there differences being seen depending on class, gender, ethnicity etc? If yes, then how are such differences manifesting themselves?*

Question 25: *Which parts of the economy are picking up responsibility for providing the welfare services being withdrawn by the state? Can you give an example?*

Question 26: *In what ways are cities becoming the primary locations for these activities to take place? Are there any good examples of this?*

Question 27: *Do resistive and coping strategies/actions undertaken by citizens following state roll-back make policy decisions more difficult to make/implement? Do they have a bearing on how policy decisions might be made in the future, particularly considering the next General Election in 2015? If so, how and why?*

Question 28: *How has the relationship between the state and its citizens changed post-2008 in terms of the bargain between the rights as a citizen versus a citizens obligations to the state?*

Concluding Remarks

So then, just to finish off, if I was to come back in a year's time and conduct this interview again, what will have changed (If anything)?

Why do you believe this will be the case?

Ok, thank you for your time today. Is there anything else you can think of which has not been mentioned in this interview which you feel would be important for me to include in my study?

High Priority Questions to Ask: 1,2,3,5,9,12,15,16,25.

Appendix 3

Draft Interview Schedule: Local Stakeholders

Initial Comments

For the benefit of the interview, please could you give a short summary of who you are and what your role is in relation to X in Y (Insert theme/location as appropriate).

Section 1: State welfare provision under austerity and the impacts of the economic downturn

Question 1: *What do you understand to be the present aim of the Welfare State in X following the 2008 financial crisis?*

Question 2: *We know that prior to 2008 government (not least the UK Government) was engaged in welfare retrenchment. So, can you sum up in two or three points what impact the economic crisis and subsequent austerity have had on the provision of welfare services in this area?*

Question 3: *Which social classes have been most/least affected by welfare cuts in X? How so, and why? Similarly which spaces/places have been most/least affected here? (Does the interviewee represent any groups implicated by the issues?)*

Question 4: *One issue which is being picked up at the moment is the transfer of welfare provision away from the state and public sector to private interest groups. Do you agree? If not, why? Was this a process already set in motion before 2008, or is it a trend which is new? Can you provide any examples of how this has happened in practice? What are issues do you think this raises (e.g. privatisation of local democracy, asset ownership)?*

Question 5: *Have the underlying principles of welfare provision changed since austerity measures and the financial crisis of 2008 took hold? If so, how?*

Question 6: *We know the austerity politics at the national level, but how are these being interpreted and implemented at the local level? Can you provide any examples?*

Question 7: *Research has shown that cities are becoming increasingly important locations for social and economic interactions. Why is your city in particular feeling the acute impacts of state austerity measures? Can you provide any good examples?*

Question 8: *The latest data shows that cities in the NW of England are emerging as being in a more precarious position than others with regard to the effects of austerity and public sector cut backs. How much of this is generic to cities? How is your city more specifically being affected? Can you give any examples?*

Question 9: *Which political strategies utilised locally thus far under the auspices of austerity do you think have been a success, and which have been less so? Why have you come to these conclusions?*

Question 10: *Have there been any unexpected impacts resulting from the implementation of austerity-driven welfare policies? If so, in which areas of provision? Examples?* **(Steer in direction of positive or negative after they have given their initial response)**

Question 11: *Which welfare services are being prioritised in X given the restricted budget capacities most local stakeholders now have? Why?*

Question 12: *When additional cuts are made to the ones already in the pipeline, who is next in the firing line? Equally, who is most likely to benefit if at all? Can you give an example?*

Question 13: *Do different cities in the North West have different welfare agendas? Who/what is being prioritised in your city? What effect is this having? How does this compare with other cities in the North West? Any examples of cities bucking the trend? If so, how are they achieving this?*

Question 14: *Will the quality of welfare provision be affected as well as the quantity of it given the austerity measures? Can you give examples of innovation and more being done with less?*

Section 2: The Welfare Reform Act 2012 and factors

The Welfare Reform Act 2012 is an extension of the Welfare Reform Bill, 2010, which outlined how the government planned to rapidly slash spending on basic services for the majority of its citizens both in the short and long term. In particular, this entailed a loss of benefits for a large proportion of individuals and families earning middle income wages, a much greater emphasis than had been present before on the necessity to work to ensure social mobility and far greater levels of conditionality and sanctioning attached to the availability of state welfare.

Question 15: *Will the effects of the Welfare Reform Act differ at the local scale, both between cities as well as varying within cities as well? Are there any good examples of this?*

Question 16: *Do you think that these welfare reforms will have any unexpected outcomes, positive or negative? If so, what, and moreover, why?*

Question 17: *Will the effects of the changes made under the Welfare Reform Act vary by social class, gender, ethnicity etc? If so, why?*

Question 18: *The welfare reforms taking place include more stringent testing and sanctioning processes to those used previously. How will this affect the number and types of people able to access welfare provision going forward? What will the specific implications likely be for X?*

Question 19: *Many of the welfare reforms being undertaken are designed to end the so called 'culture of dependency' which the Coalition Government claims have emerged under previous governments. Will the latest agenda of reforms lead to people feeling stigmatised and unwilling to take up resources they are entitled to? Are there any differences in attitudes towards the uptake of benefits between social classes?*

Section 3: What is in store for the remainder of the current parliament?

Question 20: *With the next General Election looming in 2015, what do you think will be the key agendas being debated and contested? Would you expect the approach of the Coalition Government to change considering this? Will they deviate away from their hard line stance on austerity and welfare reform?*

Section 4: Responses to austerity and welfare reform

Question 21: *In what ways are cities becoming the primary locations of the responses to state welfare reform enabling these activities to take place?*

Question 22: *What forms of cooperation in response to these austerity strategies and processes are coming to fruition in X and why these specifically? Can you think of any examples?*

Question 23: *What forms of resistance to welfare reform in X are coming to fruition as part of a response to these austerity strategies? Can you think of any examples?*

Question 24: *Do the forms of resistance emerging differ within and between cities? How is this coming to the fore in X?*

Question 25: *Are the forms of resistance to welfare reform being observed uniform across different groups? Or are there differences being seen depending on class, gender, ethnicity etc? If yes, then how are such differences manifesting themselves?*

Question 26: *Are the forms of co-operation being observed uniform across different groups? Or are there differences being seen depending on class, gender, ethnicity etc? If yes, then how are such differences manifesting themselves?*

Question 27: *Do the forms of co-operation emerging differ both between and within places? How so? Are there any good examples of this?*

Question 28: *What types of coping strategies/actions are being developed by those affected by the reforms as well as by those implementing the policies, in order to combat the negative effects of the welfare cuts?*

Question 29: *Which parts of the economy are picking up responsibility for providing the welfare services being withdrawn by the state?*

Question 30: *Have we seen a change in the way citizens and groups representing citizens have attempted to resist the austerity agenda? Are there any signs of success (i.e. forced political leaders to change course)?*

Question 31: *Are these coping strategies/actions necessary as a result of the state relinquishing its responsibilities to provide for its citizens? Or are people still able to rely on the state to the same extent they might have done prior to the 2008 crisis?*

Question 32: *Do resistive and coping strategies/actions undertaken by citizens following state reform make policy decisions more difficult to make/implement? Do they have a bearing on how policy decisions might be made in the future, particularly considering the next General Election in 2015? If so, how and why? Are there any good examples?*

Question 33: *Is there any variation in the response of citizens to austerity depending on class, gender, ethnicity etc?*

Question 34: *Will the capacity of citizens to help themselves following state withdrawal determine the policies i.e. pace and depth of cuts, which are eventually implemented?*

Concluding Remarks

So then, just to finish off, if I was to come back in a year's time and conduct this interview again, what will have changed (If anything)?

Why do you believe this will be the case?

Ok, thank you for your time today. Is there anything else you can think of which has not been mentioned in this interview which you feel would be important for me to include in my study?

High Priority Questions to Ask: 1,2,3,4,11,12,15,22,23,29.

Appendix 4

Participant Consent Form

Nascent Geographies of Austerity – Understanding the Implications of a Renewed Welfare to Work Discourse

INFORMED CONSENT FORM

(To be completed after Participant Information Sheet has been read)

The purpose and details of this study have been explained to me. I understand that this study is designed to further scientific knowledge and that all procedures have been approved by the Loughborough University Ethical Advisory Committee.

I have read and understood the information sheet and this consent form.

I have had an opportunity to ask questions about my participation.

I understand that I am under no obligation to take part in the study.

I understand that I have the right to withdraw from this study at any stage for any reason, and that I will not be required to explain my reasons for withdrawing.

I understand that all the information I provide will be treated in strict confidence and will be kept anonymous and confidential to the researchers unless (under the statutory obligations of the agencies which the researchers are working with), it is judged that confidentiality will have to be breached for the safety of the participant or others.

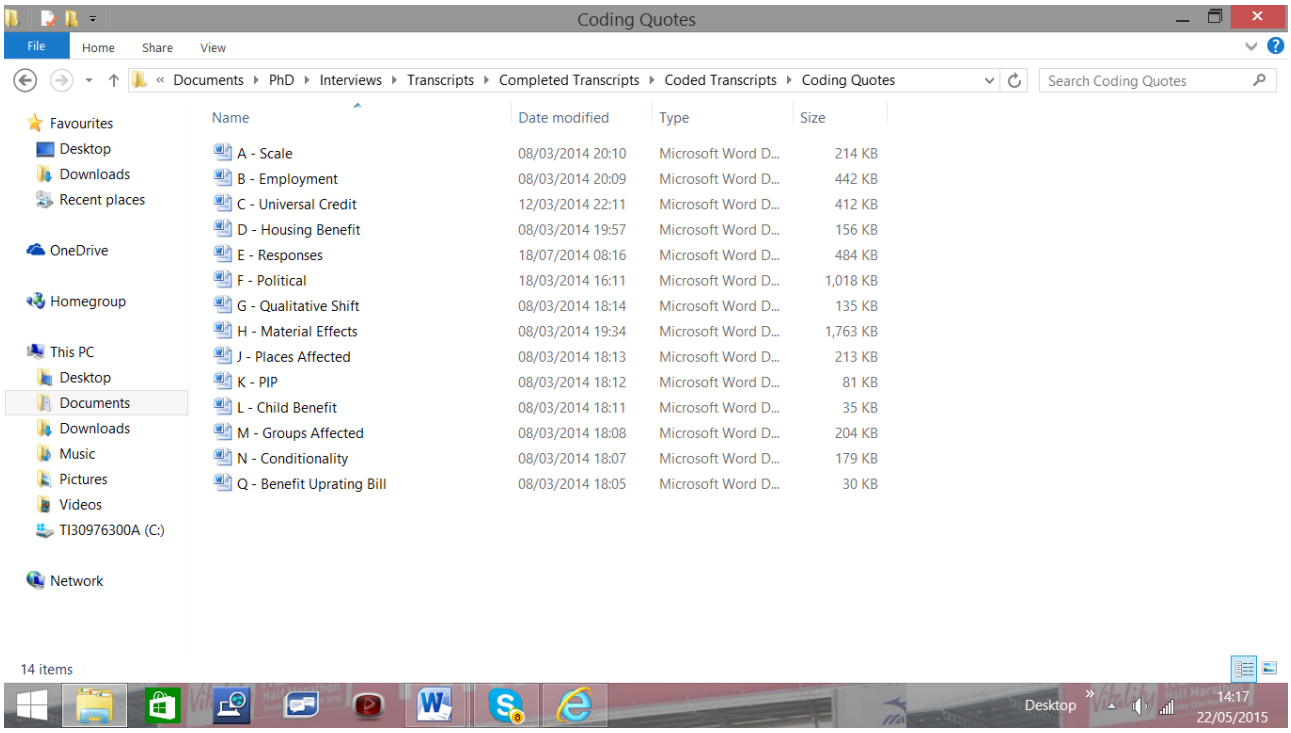
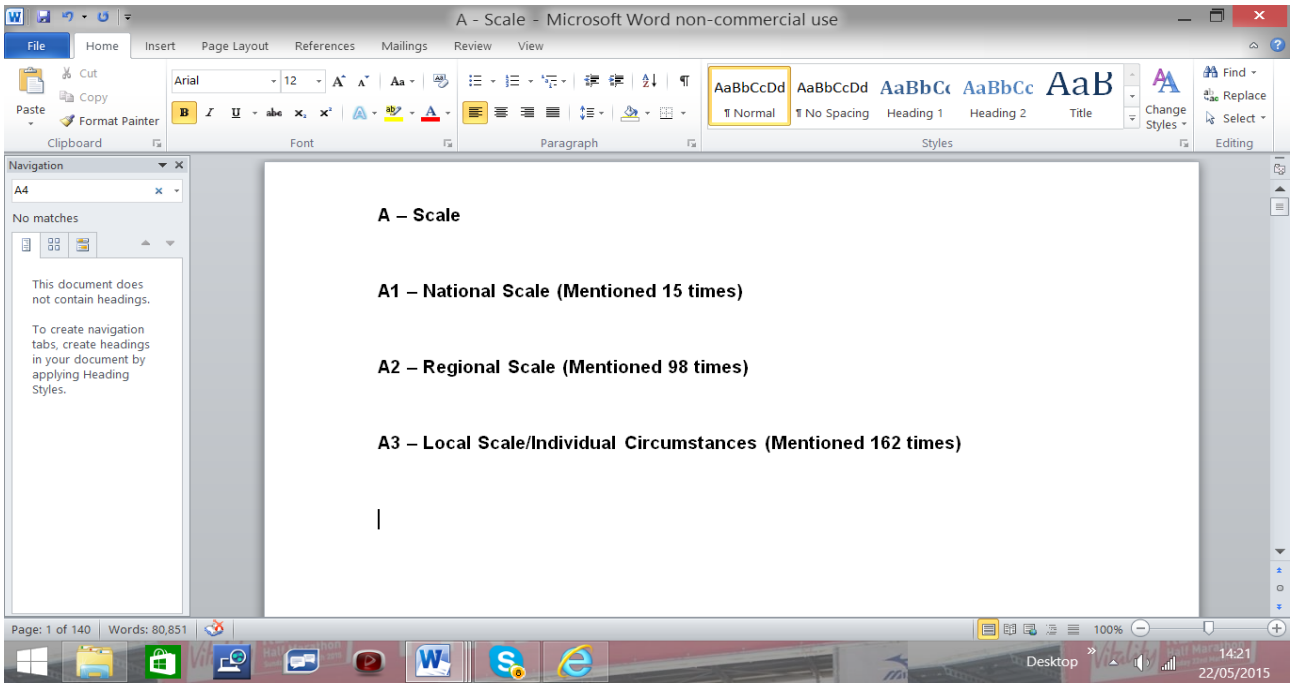
I agree to participate in this study.

Your name _____

Your signature _____

Signature of investigator _____

Date _____

Appendix 5

Interview Coding Framework