

# Poverty

3818

# forcing work on benefits

People who take up cash-in-hand jobs while on benefits do so as a last resort because they are facing acute poverty, according to a report out today.

The Joseph Rowntree Foundation said it was "need not greed" that caused people to do low-paid work they did not declare, with claimants often taking on informal work simply to pay for food, heating or mounting debts.

It said informal work was generally taken on in response to poverty and at times of crisis, such as family breakdown.

It found that low benefit rates, low wages and rules which limit the hours some groups can work were the main reasons causing people to resort to working cash-in-hand.

The research, based on six years of work by East London community project Community Links, found those who took part in its study often had a wide range of under-used skills and abilities.

But they felt there were more opportunities for them to work informally because they did not have formal qualifications.

At the same time many said working informally helped to increase their confidence and experience, and offered routes into formal work.

But some also cited the complicated and inefficient tax and benefits system for keeping them in informal jobs.

Despite the introduction of initiatives such as tax credits, many felt the system trapped them in a cycle of poverty, with few financial incentives to try to work formally.