



Working Alongside

Community Links and
ATD Fourth World's
'Need NOT Greed'
discussion groups
on the Benefit System

Community Links Evidence Paper No. 15

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linksUK

Our purpose is to champion social change. We pioneer new ideas and new ways of working locally and share the learning nationally with practitioners and policy makers. As a result, we are recognised as national leaders in regeneration and social policy.

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1 Introduction

“People who experience a problem understand it best.”

Part of Community Links' founding statement

Community Links and ATD Fourth World, two charities working with people who live in poverty, conducted workshops with people who have long-term experience of poverty to explore their experiences, draw out common themes and develop recommendations that participants felt would help them move out of poverty, off benefits and into sustainable secure employment.

This Evidence Paper is an account of those three workshops which we hope policymakers and other practitioners will learn from to inform strategy and policy and improve services offered by the Department for Work and Pensions, Jobcentre Plus and their partners.

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2 Summary

Three workshops were organised by Community Links and ATD Fourth World to:

- understand the experiences local residents of London living in poverty and in connection with the benefit/tax credits system and paid work;
- develop appropriate solutions and recommendations to improve that system
- Inform the work of the Need NOT Greed campaign (www.neednotgreed.org.uk).

The Need NOT Greed campaign seeks to move people out of poverty by reforming the welfare system, breaking the cycle of worklessness and creating a better understanding of the link between informal work and poverty in the UK. The campaign is calling for a modernised, flexible welfare system to remove the need for cash-in-hand work. It proposes a number of changes to the benefit and tax system to remove the traps that keep many on low income and ensure a smooth transition off benefit and into work. We are asking government to harness existing informal economic activity, which provides a route to formalisation. Enabling people to build their own ladders out of poverty could transform the lives of individuals and their communities which are experiencing deprivation and entrenched poverty.

This paper is based on the testimony of people who have long-term experience of poverty; it highlights common experiences that emerged during these focus groups. Themes included the difficulties of moving off benefit and into formal paid work, and the desperation that can lead people to decide to work whilst receiving benefit. The paper highlights the problems people currently face but also puts forward key recommendations that participants felt would help them move out of poverty, off benefit and into sustainable secure employment. There was a strong desire from each participant to positively engage in the workshops and input constructively into the current welfare reform agenda. So helping to change their own lives for the better. Recommendations were designed to reflect the real-life struggles and barriers participants faced.

The workshops were structured to discuss:

- Experiences of the benefit system
- The ways in which people become trapped in the benefit system
- Barriers to formal employment
- Government welfare reform proposals
- Media and government portrayals and perceptions of people on benefit and those working cash-in-hand

“What traps you in poverty, whether you’re in work or out of it, is having no way of changing the direction of your life.”

Workshop Participant

The most significant and common issues raised in the groups were:

- People want to be supported back into work, rather than 'named and shamed'. It became apparent that the existing tension between advisors and participants has become a barrier to taking up formal employment. There is too much of a focus on potential benefit fraud and this suspicion changes the nature of the relationship and the service offered by the advisor.
- It is essential that individual needs and particular circumstances are fully understood by Jobcentre staff. This is important in a means-tested system.
- The benefit system currently makes people frightened rather than secure, as the tone of staff and advertising messages seem to focus on benefit fraud rather than support.
- Allowing people on benefit to earn and give a proportion of what they earn back to the government would benefit everyone and allow people to regain their dignity, develop skills and experience the world of (formal) work.
- Allowing people to keep their benefit for longer after starting work would make the transition to formal paid much easier.
- Voluntary work is positive allowing people to build up skills whilst ensuring the 'safety net' of their benefit.
- The system needs to function better. People should be able to move on and off benefit much more quickly, so being able to take up short-term bits of work, when available. A family cannot be fed on a promise, which is why many people risk their benefit to work cash-in-hand short-term, often with great fear. People are scared that their neighbour will report them, but poverty seems to leave them no choice when mouths and pockets are empty.

Key recommendations:

- The need for a joined-up, holistic approach within the benefit system, and all the policies and services that interact with it.
- The opportunity to build relationships with Jobcentre Plus advisors, over a long-term period if necessary, to allow for a greater understanding of the multiple and often complex factors that form barriers to work.
- A training module for Jobcentre Plus advisors on working with vulnerable clients.
- Targets should be measured on personal progress, rather than solely on getting people into work as quickly as possible.
- The provision of personal money management services which support people during the transition period of coming off benefit, moving into work and paying off debts.
- Greater information about the benefit system including benefit and tax credit take-up campaigns.
- Utilise existing skills and experience developed from cash-in-hand work to build people's self-confidence and self-esteem when applying for formal jobs.

*'People have hidden abilities: all they need is a little bit of encouragement...
Penalising them doesn't work'*

Workshop Participant

Note: Quotes are included throughout to illustrate the complex factors involved in living in poverty, as well as the characteristics of the benefit system and paid work. In order to preserve anonymity, they have not been attributed to any specific participant.

During the workshops participants talked about the benefit system which should be understood to cover tax credits as well where applicable.

3 The workshops

Context

The 'Need NOT Greed' campaign, organised by Community Links (see appendix 1), is a coalition of national and grassroots organisations, including Oxfam, the Trades Union Congress (TUC) and the UK Coalition Against Poverty (UKCAP). The vision is to end the current reliance on cash-in-hand, informal paid work and to help people move off benefit and into formal paid work. Need NOT Greed is unique in specifically addressing the informal economy and poverty in the UK.

"The cost of living doesn't just go up in April, and in the mean time it is like fighting a losing battle. If I could have come forward and put my cards on the table, with the right support I could have been off benefit and been able to contribute back to society by now."

Purpose

To give participants an opportunity to:

- share knowledge and personal experience of the benefit system and work
- develop recommendations to help remove the current barriers
- feed these into and shape the 'Need NOT Greed' campaign (www.neednotgreed.org.uk)
- contribute to broader policy messages for welfare reform.

Organisation

Between November 2008 and January 2009, three 'Need NOT Greed' discussion groups were jointly organised by Community Links, an innovative charity in east London with nine years of research experience into the informal economy, and ATD Fourth World, an international anti-poverty organisation with vast experience working alongside people living in extreme, persistent poverty (see appendix 2). Groups contained up to 30 participants, each of whom have long-term experiences of poverty and the benefit system. A semi-structured agenda was agreed at the beginning of each workshop to focus on the three purposes outlined above. Each session was facilitated by staff from Community Links and ATD.

The discussions explored participants' experiences and views on:

- The benefit and tax system
- Benefit traps
- Barriers to employment
- Government welfare reform proposals, including the DWP White Paper '*Raising expectations and increasing support*' (Dec 2008)
- Media and government portrayals and perceptions of people on benefit, and those who work cash-in-hand

4 Main findings

The purpose of this report is to highlight common and significant themes and personal experiences that emerged during the three workshops, and outline possible solutions that were suggested during the course of the discussions. Although many of the issues that arose are intricately linked, they are presented in separate sections for the sake of clarity.

The Benefit System

The system is too complicated. Participants said that they do not know what they are entitled to and are unaware of how the system works, and that it is too difficult to access what is available.

“There’s too much information all at once. You need a course just to understand it all.”

Access to the relevant information is a major barrier - it is difficult and complicated to access, and often contradicting from Jobcentre to Jobcentre.

People are in the dark as to what they are entitled to and what the qualifying thresholds are. They often feel misinformed or in limbo because information is not always shared between Jobcentres, let alone other departments, like Her Majesty’s Revenue & Customs (HMRC) for tax credits or Local Authorities for Housing Benefit.

‘If there was some sort of flexible system where you weren’t so constrained by all these laws...’

The benefit system does not reflect nor respond to the way people actually live and work today. The system is neither flexible nor modern enough to meet individuals’ needs and the type of temporary, part-time work that is on offer, quite often concession weekend work.

“If you have a blanket procedure written from the top it doesn’t work. You have to have a human approach.”

Overall, the system is considered to be hierarchical and bureaucratic, with current reform proposals being seen as primarily politically motivated, and do not indicate that consultations on the ground were taken on board. People were sceptical that the impact the suggested reforms would have on them would not be felt in a positive way.

“Bureaucracy is very self-serving. You have to satisfy it on its terms. Whilst it is run as a business, the knee jerk reactions, panic from government will do nothing except salve their political ego. They have to meet the realities half way, there needs to be a service in the true sense of the word which will listen to people. People need time, encouragement and a structured plan to get over their life experiences and get back into employment. We need people with a training and understanding of the realities. A human face.”

Whilst it was not an issue for every participant a significant number of people voiced similar concerns about an unnecessary level of bureaucracy.

Jobcentre Plus

Participants expressed some specific concerns over the way Jobcentre Plus (JCP) operates. Issues included:

- A lot of information is provided online, which many people cannot access due to cost, a lack of computer literacy and no internet access.
- Telephoning JCP and related services is expensive, and JCP often limit the use of their in-house phones; so people end up using costly mobile phones.
- People are often sent on the same training schemes repeatedly, or asked to apply for the same jobs under different headings. This gives people the feeling of being “packed off” at the soonest opportunity in order to be taken “off the books”.
- Information to enable people to make a decision about returning to work is not clear.

“People need clear information in a format that they can understand, they need actual facts and figures to see what they are entitled to if taking up work.”

Recommendations about Jobcentre Plus

It was recommended that a one-stop-shop be developed so that people can get all their immediate concerns dealt with by the same person, in one sitting.

Participants expressed the need for the systems to be more joined-up, with all relevant information and services potentially being provided under one roof.

‘They need a partnership with unemployed people. There needs to be trust between us and them.’

Participants would like Jobcentres to be run in a different way - to be properly engaged with and asked ‘*what would you like to be doing?*’ rather than being forced to undertake, for example, inappropriate training courses or jobs. This would lead to people being perceived as having potential, rather than feeling patronised.

“You can’t go into a Jobcentre for help with filling in a form; you have to go down the road and phone them up and talk to a machine.”

Participants highlighted the need for a truly personalised JCP service. There is a concern that the current service is not appropriate to addressing people’s complex situations and needs. Examples given include the use of large, centralised call-centres and automated telephone answering services. Instead participants felt that local, face-to-face, individualised services would be more effective and beneficial. Trust is such a crucial factor here where the complexity of people’s lives can be expressed, and relationships built.

JCP Personal Advisors: the human face

“If the people who are there to support, well Jobcentre staff, if they have the right attitude, then it can make all the difference, people need face-to-face support.”

People attending a Jobcentre interview can feel anxious and may be in need of support. A recent report from the Council on Social Action (Side by Side and Implications for Public

Services, CoSA 2008) suggests that, when handled well, the interactions between advisor and client can have a positive impact for both. However our feedback from workshop participants reveals the perception of an overwhelmingly negative engagement with frontline staff.

“The JCP needs to change its approach to investing in people so that we can achieve sustainable employment.”

There was an overall lack of confidence and trust in JCP staff. Participants expressed their concerns about the benefit system suffering from a lack of helpful and informative face-to-face support. Those who are supposed to provide help and guidance often demonstrate a lack of respect for those they are supposed to be advising and treat them with indifference. In addition, they may have a lack of knowledge about the service they are meant to provide and the different benefits and support that people are entitled to. It was suggested that lack of good quality, uniform training of JCP staff is leading to a lack of consistent, clear knowledge and communication from staff to their ‘customers’, in turn creating confusion amongst those trying to engage with the system.

‘Training for advisors is poor. You can’t run human things as a business. Sometimes you have to work with people for a long time before they are ready to go back to full time work. They have got out of work based routines due to whatever life experiences they’ve just had.’

The advice that is given by JCP staff to claimants is often confusing and inaccurate, conflicting with other sources of information or previous experience with other JCP staff. Whilst advice centres such as Citizens Advice Bureaux are available in many (but not all) areas participants are not always aware of where to go for independent support and advice.

The forms are felt to be just as unclear too. They are often long and complicated with a serious deficiency in resources to explain the process and make it easier to complete them correctly (the first time). This is a difficulty as some benefit claimants have low literacy and numeracy skills, which are needed to complete these forms.

The attitudes of the advisors and the outlook of the JCP in general, combined with the general lack of helpful information, make the JCP seem very intimidating to many.

“I had to come off my benefit at a very bad time and there was no information. I was forced to stop my studies and became ill. We could do with being able to walk in, talk to someone face-to-face, and sort things out there and then. I often walked into Jobcentres after having to leave my lectures in tears, and being treated badly.”

There was a sense from participants that some advisors lack adequate knowledge and empathy about the experience of the complexities of living in poverty, and at times appear apathetic; this can make it very difficult, and even discourage people from engaging with these services and taking up work.

'They need to take account of people who have good days and bad days. They need to build up people's self-esteem. People feel depressed when they can't work some days but are good on others'.

Participants felt strongly that the targets Jobcentre Plus advisors had to work towards limited the help they could provide when advising and supporting customers into employment. Personal progress should be measured, rather than getting people into work as quickly as possible. Different timeframes should be applied to people depending on their individual needs. The ultimate target is to be financially independent, holding down a sustainable and rewarding job. However, to reach this point, there should be a number of smaller individualised targets along the way, decided by both the customer and the advisor and taking into account personal progression, which could be measured and count as a positive outcome for JCP.

Recommendation: a proposed training module for JCP staff

It is clear from what the participants had to say about their experience of JCP that reforming the system is essential in order to improve people's experience of looking for work, as well as the chances of JCP staff being able to facilitate genuine progression and change. Based on these discussions, an outline training module for JCP benefit advisors was developed by the groups.

The overall aim is to develop JCP advisors' knowledge of poverty and its impact on service users who are trying to access benefit, and/or find employment. In addition it is also to encourage best practice and the adoption of a holistic approach and support framework to all those who are in direct contact with JCP and its advisors.

The module would be prepared and run by people with substantial first-hand experience of living in long-term poverty, supported by project workers from ATD Fourth World, or community development workers, for example. In this way, the training would be fully grounded in the lived experiences of welfare and work.

The module would be based on the experience of ATD Fourth World's *'Getting the Right Trainers'* (www.atd-fourthworld.org/Getting-the-right-trainers), which is a project enabling service users to train social work students in the realities of living in poverty; as well as *'Voices for a Change'* (www.atd-fourthworld.org/Our-Voices-for-a-Change), a peer research project enabling people with experience of poverty to develop and undertake an interview project about what it means to live in poverty in the UK.

The module could cover the following:

- exploring what people know about the realities of living in poverty in the UK
- looking at the challenges faced by people in poverty, and how these challenges have an impact on their experiences at JCP offices
- examining how the barriers between JCP staff and benefit claimants may be removed, and the relationship improved

- increasing the understanding of the impact of poverty, both practical and emotional, on the lives of those receiving benefit/seeking employment through JCP
- improving awareness about how relationships with professionals can help and support families living in poverty, as well as a focus on attitudes and behaviours that can make the situation worse
- considering the effects on service delivery and practice of “povertyism”: the negative attitudes towards people who experience poverty can become embedded in society and can affect behaviour towards them.

Sanctions

There were examples of good advisors, with some participants having formed very trusting individual relationships with them. In these cases, reliance on their advisor to help remedy their situations highlighted just how important these relationships were and consequently how vital it is to get it right. This evidence of good relationships contrasts starkly with other less positive experiences.

*“You can’t be helped by somebody who is able to take your benefit away. It puts a lot of power on the individual and their interpretation of your efforts to find a job.’
‘Maybe the job centre advisor could give warnings, and somebody else should issue sanctions, with an appeal process...there is such a lack of two-way accountability.”*

There was considerable concern by the participants regarding JCP advisors’ sanctioning powers and responsibilities. The general consensus was that advisors are supposed to offer help and advice, yet they will have increasing power to cut off or reduce benefit as outlined in the current welfare reform proposals. This wearing of two hats – support vs. sanctions – was seen as contradictory and a serious flaw in the system. A person might need to confide in an advisor about personal difficulties in order to get the right help and support. However, in doing so, they risk having their lifeline cut off rather than receiving the help they need.

Participants expressed caution regarding the power the advisor has, leading to a feeling of anxiety and a lack of confidence in what they could discuss freely.

Participants felt that people may be unfairly sanctioned because of childcare or mental health issues. It was discussed how sanctions in these situations simply exacerbate the situation, pushing individuals further into poverty and potentially leaving little option but to work informally in order to counter benefit deductions.

Recommendations about sanctions

Participants expressed a strong desire to be able to build relationships with advisors, over a long-term period if necessary. This would allow for an understanding of the multiple and complex factors that form barriers to work. However this requires a more personalised, holistic and long-term approach to engaging with people on benefit.

It was suggested that an advisor could give warnings, with someone else issuing sanctions, and the need for a separate appeals process.

How the system makes people feel

Participants expressed their experiences of the benefit system in strongly emotive terms. This included fear and lack of confidence in the complexity of the system. Feelings of intimidation were prevalent in people's experiences, not only in terms of the physical space but also JCP staff's lack of engagement with their clients, and a feeling that security staff and advisors are "on patrol".

The lack of trust between an advisor and client was a major message arising from the discussion groups, partly because of the confusion and anxiety associated with entering the workforce after a long period in the benefit system. Trust is acquired over time and needs to be developed through a service where clients are empowered, not stigmatised. Trust is a vital component in any relationship. A relationship between an advisor and claimant is key yet potentially fragile because of the two hats that the advisor wears and the resulting power imbalance; and fragile in a sense that many longer-term unemployed people may have a series of issues within their lives which have to be addressed before they can start looking for employment. Many participants, although with an eventual desire to work, felt that employment was the last thing on their mind, as there were a number of more serious and pressing issues that they had to deal with immediately including family breakdown or insecure housing. Until these issues were resolved, they were in no state to begin attending job interviews.

Recommendations

The workshop participants wanted to see a sustainable effort made by JCP and the Government to invest in people and consider their well-being a primary target, rather than simply getting them off benefits.

An improved induction for staff was suggested that would improve the one-to-one relationship.

An induction for 'customers' was also suggested, where an explanation about the benefit system, how it works and the opportunities it offers would be given. This could make a significant difference to people's experiences in navigating their way through the system in order to reach the goal of securing employment and financial independence.

Debt

Debt was a significant issue raised by the workshop participants. Those with large debts who are on benefits are reluctant to come off because this often means having to pay debts off in a lump sum, rather than continuing small weekly payments. The combination of debt repayments coupled with benefit reductions for moving into work or taking small pieces of work acts as a disincentive to taking up formal employment.

'If people have got large debts, they'll be scared of coming off benefit, as you have to pay back in one lump sum, rather than, for example, £2.60 a week.'

Participants reported that the requirements for getting a crisis loan are left to the decision of the appointed JCP staff member and their interpretation of a crisis. Problems also arose as there are numerous complex and repetitive crisis loan forms to fill in which add to the already lengthy assessment / administration time. Sometimes this can take up to three weeks, by which time it is too late and people have had to find money from other sources including potentially doorstep lenders or cash-in-hand work.

Recommendations about debt

“One of the things that worries us about transitioning off [benefit] is the lack of support available once we’re in work and the fear of getting into debt.”

JCP staff should work with financial / debt companies who have current arrangements with their customers once they have been offered a job to negotiate on their levels of debt repayments and ensure that repayments remain manageable and do not push people into poverty.

People who have come off benefit in the last 6 months should be able to access crisis loans when in work to ease the financial and psychological transition off benefit.

Skills, training and work experience

Participants believed that there were insufficient opportunities for apprenticeships or voluntary work for long-term unemployed people. They said that training opportunities had to be worthwhile, providing valuable skills that would help individuals find meaningful and enjoyable work, rather than being forced to do something in order to tick a JCP checklist.

People on both the New Deal programmes for lone parents and New deal for young people felt that the training element consisted of minimal training and focused too much on job search. Participants did not feel that this was a good use of time and resources to skill them up and prepare them for sustainable work.

Recommendations

Greater opportunities and incentives are needed to encourage people onto vocational training, apprenticeships and/or into voluntary work to develop their skills and practical experience whilst remaining on benefit.

Participants also expressed a desire for better access to more meaningful and focused training, commenting that Jobcentres should react more positively to people who want to enrol in longer training schemes.

‘The Jobcentre needs to stop getting people into any work and get them into a career track they want to do. They might sniff at the price of a two year course, but that’s two years with a decent job at the end of it rather than ten years on the dole.’

There is a need for appropriate training e.g. life skills, budgeting, computer, and practical training in traditional industries.

[Getting back to work] "is about marketing yourself, being a salesman, interacting with others, confident, unfrightened of rejection. Need self-skills training, life skills, confidence building."

JCP advisors should also recognise the value of informal / unqualified / life skills gained from informal paid work and from caring responsibilities.

Benefit traps

If a job is not going to pay more than Jobseeker's Allowance (JSA) then some participants could not see the point of taking it. When other daily expenses are taken into account people are often worse off. Added to this there is a loss of passported benefit, such as free school meals and prescriptions. People need to ensure a degree of financial security after years of reliance on the safety net of benefits.

"Work is not necessarily a way out of poverty. What traps you in poverty, whether you're in work or out of it, is having no way of changing the direction in your life."

Transition from benefit into work

Coming off benefit, entering employment and managing one's new life - including the financial management of paying all the bills, housing costs and council tax - can make the transition into work additionally unbalancing and distressing. Participants fear the monetary gap between ending benefit and receiving their first pay cheque. Everyone was in agreement that this is where the most vulnerable fall through the cracks of the system. This financial shock drives many into debt and acts as a disincentive to work.

Participants believed that the Government recognised and appreciated the need to build up a long-term unemployed person's self-esteem and experience. However, they felt that this was not being applied to people on JSA. They believed that people on JSA who have been out of employment for a long time should be supported to make a gradual transition into employment and that they should receive the same incentives and support to go back to work as people on other benefits. The widely held opinion was that this would prove to be much more sustainable, and leave the person more confident in their abilities.

In general the group was positive of new initiatives being piloted by the government to help people on JSA for over six months into training, work-experience volunteering or self-employment. It was clear that this type of support with the financial security was in the right direction. However participants had a lack of confidence that the benefit system was responsive enough to self-employment, in particular with Housing Benefit and the varying monthly incomes.

The group remained concerned about the lack of financial 'stepping stones' into work, especially Earnings Disregards and run-ons. There was a strong feeling that much more personal support and financial assistance needs to be provided during this transition to self-sufficiency. This is a huge step, and it is often terrifying, especially for the many people who have no experience of employment, the changes to expect, and how to cope with them. Fear and uncertainty are huge barriers to work and must be dealt with much more comprehensively.

Participants remarked that there was little point in providing support for people to find employment but no support once the person is in work. The general opinion was that without in-work support the likelihood was that people would quickly fall back into the benefit system.

In-work benefits and Tax Credits

The workshop participants were generally unaware of in-work benefits. When asked who knew that Housing Benefit (HB) was an in-work benefit, not a single person out of any of the workshops responded. When asked about Working Tax Credit (WTC), only two participants knew that it supported people in work. Many of the participants have been in receipt of benefits for some time.

There was a lack of information about when one is entitled to WTC, how much it provides, how to apply for it and what happens in the event of an overpayment. As a result, families have found themselves in a highly vulnerable position due to circumstances beyond their control, with advisors unable to provide significant help. This can act as a major barrier for people making the transition off benefit and into work, particularly those with difficult circumstances.

Despite appreciation that the WTC system has been amended, there seems to be a negative legacy and participants were either very cautious or simply chose to avoid WTC altogether. This is a strong example of how administrative errors can lead people to be fearful of the system, and how they opt out.

Employers, appropriate work and agencies

The past experience of many participants has left them with a feeling that there is a lack of appropriate jobs. This is partly due to the lack of flexible working, and the sense that employers are not parent-friendly or family-friendly.

Often the only work available is with agencies, which participants have found to be short-term, with long, tiring, unsociable hours, offering no training, security or benefit, and putting workers under a great deal of pressure. This can sometimes lead to stress and depression, to opt out of work or to seek work from the informal economy (see below). Participants said that exploitation takes place in this context, especially because of the fact that people are mainly recruited from vulnerable groups, who do not tend to know their employment rights.

“People doing agency work don’t know what rights they have – what they’re entitled to. Some people don’t get paid for not meeting their targets. There’s no sick pay and no holiday pay... agency work is an insufficient stop gap.”

Some participants felt that Jobcentres should not advertise agency jobs.

Participants spoke of the dangers of a system which allows employers to constantly take on new people under a ‘training scheme’, thereby avoiding paying corporation tax. This relates to a wider concern over the lack of penalties and inspection of businesses and employers, compared to the emphasis on penalising individuals (see section below on benefit ‘fraud’).

Recommendations for employers, appropriate work and agencies

Job stability and security were clearly very important to those living on long-term benefits. It was suggested that the Government should work with employers to encourage increased job security and flexibility at all levels of the labour market. This, combined with a decent wage, would provide a better incentive for people to get back into work.

Participants pointed to the need to understand and stop the exploitation of temporary workers.

The Informal Economy

Some respondents had worked informally, or ‘cash-in-hand’, due to the need to have at least a certain amount of money in their family budget. The fear of a monetary gap between the end of benefit payments and the first pay cheque of a new job makes those on benefit unwilling to take on jobs that do not pay quickly, thus severely limiting their employment opportunities. It is easy for people to become trapped in the informal economy and exploited by employers. Working informally brings a great deal of insecurity, which is a huge disincentive to those who have only limited options in getting back into the labour market, but it is often seen as the only viable option.

For more information and research reports from Community Links about the informal economy visit: www.neednotgreed.org.uk

Participants were asked to think about the skills they had gained or utilised whilst working informally, some of which could be transferred to formal paid jobs. The responses are summarised in the table below:

Cash-in-hand work and associated skills

Type of Work	Skills
Café and bar work	People skills, communication, customer service, people management, self-control
Labouring	Manual and logistical skills, communication, following instructions, using initiative, finding solutions
Childminding	Time-keeping, organisation, patience, creativity, multi-tasking, health and safety
Security	Self-reliance, confidence, time management, negotiation skills, punctuality

Transitioning to the formal economy

The transition time and support available for coming off out-of-work benefits and taking up formal employment is believed to be too short and immediate. The result is that people become afraid of making this move and therefore resistant to change. The group felt that this fear was being mistaken for being work-shy. Participants wanted to work and have previously taken up the offer of a cash-in-hand job as opposed to formal employment as it allowed them to try out work but it did not have the fear of falling deeper into poverty. It

would be preferable if someone were able to work a little and retain their benefit - to 'dip their toe' into the world of work, maybe working part time to start with. This would enable skills and confidence to be built up gradually, to the point when they feel ready and able to cope without the support and security of benefit. This would also provide more of an incentive to find work or formalise work that they have already been doing.

Raising the levels of earning disregards, and other work incentives, for all benefits would enable people to try out small pieces of formal work, encouraging them back into the labour market without the immediate fear of benefit cuts. According to recent DWP research benefit fraud levels are highest in Jobseekers Allowance, indicating that people can and are willing to work but the barriers need to be removed to make this formal employment.

Those in receipt of benefits do not want to make themselves vulnerable to dubious employers. Nor do they want to break the law by working unofficially over the earning disregard limit whilst on benefit. However, they find themselves in a situation where they want to get back to work or need the extra money but are too frightened to make the leap into formal employment and suddenly find themselves off benefit altogether. This relates back to the transition period which, if made easier and longer, and accompanied by tighter regulation of agencies, would minimize the likelihood of people being forced into informal work.

Recommendations about the informal economy

Participants suggested that the Government should do much more for people of all ages who want to start up their own business, not only through business support workers but also to ensure the benefit system, is modernised so it can help anyone wishing to become self employed. It should also include a specific process of formalisation, through which informal workers are given training, qualifications, support and guidance to become formally self-employed, with the capacity to advertise freely and even employ local people. This would increase employment levels, decrease benefit costs and add revenue through tax payments.

Government message focuses on benefit 'fraud', not on 'support'

The government's emphasis on punishing benefit fraud, rather than helping those in the benefit system and those who are working cash-in-hand to transfer to the formal economy, was seen by the participants as counter-productive. Most people doing informal work do so to survive, and even people who are on benefit and not working informally find government campaigns threatening. Intimidating those who are already socially excluded is not seen a sensible use of funds. Encouraging people to inform on others working informally, by offering cash rewards, is seen as a particularly vindictive strategy. This strategy has led to false accusations and tensions in the community and has made life extremely stressful for those wrongly accused.

"They introduced a system where whoever shopped someone got some money. It happened to a friend of mine. It took him six months to clear his record, re-claim his benefit and get his cash back."

Overall, participants' reflections on the Government's pursuit of people committing benefit fraud were that it was threatening and accusatory and impeded many in returning to work.

Third sector organisations delivering back-to-work programmes

Participants expressed concern about the potential for third sector organisations to imitate or 'morph into' businesses and/or become an extension of government. Some thought that charities are losing their voluntary ethos, perhaps through chasing government funding. Particular concern was expressed about the Government imposing targets for people returning to work through contracting out to voluntary organisations. The dangers seen in the setting of targets include the fear that high targets will merely encourage organisations to focus on those who can most easily find employment. The DWP has recognised that 'cherry picking' may occur and it was agreed that increasing payments for people furthest from the labour market is positive but will not ensure the support is there from the beginning. It was suggested that as a mandatory requirement of providers that a proportion of all clients are from this particular group to ensure they are supported not isolated or ignored.

Recommendation for back-to-work programmes

Third sector organisations should not be forced to fit government expectations and targets. Third sector organisations work on a basis of trust and this trust should not be jeopardized as they become more focused on monetary incentives and less focused on the individual. If voluntary organisations do take on government contracts for welfare to work, the necessity to have flexibility and measurement of outcomes based on personal progression should be standard.

Messages, stigmatisation, the media and wider perceptions

During the workshops, participants discussed the way in which people on benefit are often stigmatised in the media, and perceived as being 'scroungers'. This perception has a huge influence on the public, including employers and JCP staff. Participants felt that the vilification of the long-term unemployed and those working informally was unacceptable, and represents a real barrier to understanding poverty. This media stereotyping is considered unconstructive in terms of getting people off benefit and into work.

Participants discussed the way in which media stereotyping and blame further contribute to people's low self-esteem. This has a huge impact on people's health, with the potential of destroying self-confidence, and contributing to cycles of stagnation.

'...it's how everything is written down in the press, people read about it and then you get looked at as if you're stealing from them.'

Community Links invited a journalist from a national broadsheet newspaper to attend one of the workshops so that they could listen to what the participants had to say and so develop a greater understanding of the complex reasons why people are surviving on benefit and are sometimes forced to turn to the informal economy. By breaking down these barriers, and allowing journalists to see the 'human face' behind their stories, a greater understanding

and depth can be developed. As a result this journalist has written some insightful pieces about the issues discussed in this paper.

Recommendations about messages, stigmatisation, the media and wider perceptions

Government should exert caution over the language and messages in anti-benefit fraud campaigns, and focus more on positive messages about the help that is available from JCP, particularly important in these times of recession.

The media needs to appreciate, understand and cover stories about how hard it is to survive on benefits, and separate the majority who are looking for work from the very small minority who defraud the system (under 1% according to DWP figures, 2006-to date).

Participants reflected on the fact that being on benefits is widely discussed as something to be ashamed of. It is hoped that the current economic climate and corresponding increase in unemployment might enable people to understand the difficulties faced by people out of work, leading to people who are trapped on benefit receiving a more considerate response.

“We need a voice, we need to change perspectives, give us power to change opinions the media have created.”

5 Conclusion

The workshops showed that people living in poverty have a lot to say about the current benefit system, and their aspirations and concerns about entering work. There was a clear willingness to engage with policymakers about what is required to ensure a fairer and less judgmental system, based on people's strengths and capabilities, rather than their weaknesses.

It is crucial that people with experience of living in poverty are given a say, since they are the ones whose lives will be affected by the policies and structures put in place. The key theme during the workshops was the need for a joined-up, holistic approach within the benefit system, particularly with regards to Jobcentre Plus and its advisors.

Participants felt that they needed more individualised support to access *suitable* work and training, as well as more information about benefit entitlement, and the opportunity to utilise their existing skills and experience to reach their goals and ambitions. By working *alongside* people, a fairer system can be established, with all parties gaining.

It is crucial to understand that people living in long-term, extreme poverty lead complicated lives. Participants would like a system that takes time to understand where people are coming from, and works alongside them to see how they can best be supported, both before entering the workplace and in work.

Appendix 1: An introduction to Community Links

Community Links is an innovative charity running community-based projects in east London. Founded in 1977, we now help over 53,000 vulnerable children, young people and adults every year, with most of our work delivered in Newham, one of the poorest boroughs in Europe.

Our Vision is to be champions of social change.

Our Purpose is to tackle the causes and consequences of social exclusion by developing and running first rate practical activities in east London, and by sharing the local experience with practitioners and policy makers nationwide.

Our Work is based on the belief that we all have the potential to do great things. Community Links aims to encourage everyone to fulfil their own potential and knows that every adult can build their own ladder out of poverty or disadvantage. This is reflected by 80% of Community Links' services being provided by people who were themselves service users.

In east London we provide advice, training and practical support, including education programmes for non-school attenders, play and care schemes, family advice sessions, youth work with young people on the street, training schemes, counselling groups, emergency services and much more.

linksUK explained

Community Links shares the learning from our local work through **linksUK**, which provides practitioner-led consultancy and training, research and policy development and a programme of publications

Over the last nine years, linksUK has:

- published over 40 books and reports based on our research
- worked with over 12,000 local people using our innovative 'Everyday Innovators' approach
- succeeded in securing 12 national policy changes
- influenced government strategy and policy on the informal economy and deprived neighbourhoods
- hosted seven government secondments
- successfully tested 11 ideas for improving delivery of local services.

Further information

Website: www.community-links.org

Blog: www.community-links.org/linksuk

Email: uk@community-links.org

Appendix 2: An introduction to ATD Fourth World

ATD Fourth World is a human rights-based organisation with more than 30 years experience of engaging with both individuals and institutions to find solutions to extreme poverty in the UK. With programmes focusing on supporting families and influencing policy, we work in partnership with families experiencing long-term poverty to develop their potential and enable them to participate fully in the life of their communities and society at large.

Family Support

Our holistic Family Support programme aims to support the most vulnerable and excluded families to access the services they are entitled to but often do not claim. By acting as a bridge between families and professionals, we give both parties the time, space and resources to build positive and long-lasting relationships.

Our 'Family Learning' weekends, for example, seek to create the right conditions for parents, children and professionals to work together and learn from one another on topics that respond to the request of families living in poverty to learn the basic parenting skills necessary to keep their family together and offer a better future to their children.

And to counter the feelings of loneliness and isolation that frequently go hand-in-hand with poverty, our Family Support programme also helps families meet others in similar situations, so providing 'peer support' that gives parents the opportunity to draw strength from those around them and to begin to hope that their own situation will improve.

Policy Development

Providing a platform for the voices of people who face hardship every day to influence the national debate on poverty is at the heart of ATD Fourth World's work. We believe that it is essential to include in any discussion on poverty the vital perspective of those who experience it on a daily basis.

Our participatory policy programmes empower people with experience of poverty to express their views and offer solutions to the problems affecting their lives while offering policy makers an invaluable insight into fighting poverty from the bottom up and an important forum for dialogue.

Further Information

Website: www.atd-uk.org

Email: atd@atd-uk.org