MRC/CSO Social and Public Health Sciences Unit Consultation Response

Title of consultation
Benefit sanctions inquiry

Name of the consulting body
House of Commons Work and Pensions Committee

Link to consultation

Why did the MRC/CSO Social and Public Health Sciences Unit contribute to this consultation?
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Social security systems are important social determinants of health which impact strongly on groups who experience health inequalities. Reforms to these systems, such as intensifying the use of sanctioning and conditionality more widely, could have important implications for population health and health inequalities. The Unit has expertise in this area which should be leveraged to inform policy if possible.

Our consultation response
The MRC/CSO Social and Public Health Sciences Unit, University of Glasgow is responding to the following questions outlined by the Committee for this Inquiry’s written evidence:

1. To what extent is the current sanctions regime achieving its policy objectives?
2. Is the current evidence base adequate and if not, what further information, data and research are required?
3. What improvements to sanctions policy could be made to achieve its objectives better?
7. What effects does sanctions policy have on other aspects of the benefits system and public services more widely?

Summary
- There is a paucity of evidence on the employment impacts of benefits sanctions in the UK. The existing quantitative evidence suggests that sanctions lead to an initial increase in exits from benefits. However, the quality of jobs is worse and earnings are lower for people who have been sanctioned. Qualitative evidence suggests that sanctions hinder labour market entry in a number of ways.

- There is an urgent need for robust quantitative evidence on the effects of sanctions on labour market, health and social outcomes. Existing individual level datasets are available which could be used for this purpose. DWP, HMRC and other relevant departments should work with the Administrative Data Research Centres to support the creation of such datasets and actively facilitate research access.
A growing body of evidence from qualitative studies and research conducted by relevant charities suggests that sanctions have negative impacts on physical and mental health, food insufficiency, and ability to cover housing costs. All of these are likely to have an impact on health and social services and housing providers. The resultant costs to the public purse are currently unknown.

Background
The MRC/CSO Social and Public Health Sciences Unit, University of Glasgow conducts world-leading research to understand the determinants of population health and health inequalities, and to develop and test interventions to improve health and reduce inequalities. The Unit’s research uses a wide variety of methods including qualitative research, the collection, linkage and analysis of social survey and routinely collected data, evidence synthesis, randomised controlled trials and natural experimental studies. The Informing Healthy Public Policy programme has a particular focus on, and expertise in, evaluating the impacts of social security reform. The Unit receives core funding from the Medical Research Council and the Scottish Government Chief Scientist Office, as well as grant funding for specific projects from a range of sources. Further information about the Unit is available at http://www.gla.ac.uk/sphsu

Response

1. To what extent is the current sanctions regime achieving its policy objectives?

1.1 The primary policy objective of the sanctions regime appears to be to increase exits from benefits into employment (DWP 2010). There is little UK evidence on whether sanctions are achieving this policy objective, as the government has conducted no analysis or evaluation of the policy, and it has not released the data required to permit others to conduct the analysis. However, the National Audit Office used quasi-experimental methods to estimate the impact of sanctions on JSA and ESA claimants, finding that JSA claimants were as likely to exit benefits to economic inactivity as they were to find a job, and that earnings did not increase. There was a strong negative impact on employment outcomes for ESA claimants (NAO 2016). A recent analysis of aggregate data on sanction rates and off-flows to employment does not indicate that the sanctions regime is having positive impacts on employment (Taulbut et al 2018).

1.2 Looking beyond the UK for evidence of employment effects in other advanced economies, several narrative reviews of international evidence find that sanctions increase exits to employment, but also increase exits to economic inactivity, reduce wages and lower job quality (Griggs and Evans 2010, Vodopivec et al 2016). This is consistent with evidence from recent robust US and European studies which shows that sanctioning increases short-term exits from benefits, but decreases earnings and both job quality and duration (Arni et al 2012, Berg et al 2014, Fording et al 2013, Wu et al 2014). Exits from benefits to no employment are also higher for sanctioned claimants (Wu et al 2014, Loprest 2011).

1.3 While there is little direct evidence on the effects of sanctions on employment outcomes in the UK, there is a body of evidence from qualitative studies and charities which suggests that the effects of sanctions upon individual clients are likely to hamper labour market entry. Travelling to interviews or training, accessing the Internet, calling potential employers, and laundering clothes all require immediate funds, and where claimants have been sanctioned they do not have access to these (Rabindrakumar and Dewar 2018, CAB Scotland 2014). Reported negative impacts of receiving a sanction on physical and mental health (Johnsen 2016, Barnes 2016) are also likely to move people further from the labour market (Hale 2014).
2. Is the current evidence base adequate and if not, what further information, data and research are required?

2.1 As noted above, quantitative evidence on the employment impacts of sanctions in the UK is sparse. The extent to which evidence from other advanced economies can be generalised to the UK is a matter for judgement, but the consistency in findings from studies conducted in a range of national contexts suggests at least some degree of transferability.

2.2 There is a growing body of qualitative evidence on other outcomes, including the very large ESRC funded Welfare Conditionality Project which has just made public its 5 year findings. There is also extensive evidence in the form of personal testimony collected by UK charities which provide services to affected groups. While the findings are not necessarily generalizable, they raise important questions that should be tested using large scale, representative data sources.

2.3 Further quantitative evidence of impact on labour market and other economic, social and health outcomes is urgently needed. The individual level data required to generate such evidence are currently held in separate datasets which could be linked to permit sophisticated, robust analyses of impacts on a wide range of outcomes. The UK government has invested heavily in the infrastructure needed to securely link such datasets and make them available for research and evaluation. Given the lack of robust, generalizable evidence about the effects of sanctions, DWP, HMRC and other relevant departments should work with the Administrative Data Research Centres to support the creation of such datasets and actively facilitate research access.

2.4 The urgent need for rigorous evaluation is underlined by the theoretical plausibility, consistent with a range of small-scale, largely qualitative evaluations and other reports from charities and care providers, that the policy as currently being implemented is generating harmful outcomes. Given the likelihood of such harms and the possibility that harms and other costs may be outweighing any benefits that the policy may realise, there is an ethical imperative to conduct a rigorous evaluation. Such an evaluation, ideally using mixed methods, could be conducted efficiently if datasets linking benefit receipt, sanctions and outcomes were made available. This could be done retrospectively, or a more powerful research design could be implemented in the context of a suspension or withdrawal of the policy, which may be warranted due to the possibility of harm and the absence of evidence of net benefit.

3. What improvements to sanctions policy could be made to achieve its objectives better?

Given the lack of evidence of effectiveness, and extensive accounts suggesting potential harm caused by sanctions, sanctions policy needs a much firmer evidence base. Evaluation plans should be incorporated into sanctions policy-making, so that future developments can be adequately tested for benefits and possible harms.

7. What effects does sanctions policy have on other aspects of the benefits system and public services more widely?

7.1 It is not currently possible to quantify the effects of sanctioning on public services more widely, because no economic evaluation has been conducted. However, evidence from qualitative research and reports of personal experience collected by charities indicate that sanctions may lead to increased demands on health, housing and social services.
7.2 Available evidence suggests that sanctions cause physical and mental health to deteriorate, again militating against return to employment (Hale 2014, Johnsen 2016, Brooks 2013, Mattheys et al 2017). One study found that cuts to benefits through sanctions and reforms such as the removal of the Spare Room Subsidy triggered instances of self-harm and suicide attempts (Barnes et al 2016). Health effects such as these may increase pressure on health, housing, and social services, with significant cost implications.

7.3 Extending sanctions to vulnerable groups such as lone parents may also have negative impacts on wider social outcomes in the long term. Food insufficiency in children is known to hinder educational attainment and to have long term impacts on health and on cognitive functioning (Ke and Ford-Jones 2015).

7.4 Iriss, a charity which supports people who use Scottish social services, reported that welfare reform has increased pressure on social services staff. Assisting clients with sanctions and other benefits-related crises diverts staff from the key tasks required of them (White 2016). Social housing providers have also been affected by the rise in sanctioning; 93% of HAs expected arrears to rise in 2013/14 and staff time is increasingly diverted to helping tenants cope with the impact of receiving a sanction (SFHA 2014).

References


Scottish Federation of Housing Associations (2014). Cause for concern? Early impacts of benefit sanctions on housing associations and cooperatives in Scotland. Glasgow, SFHA.


When was the response submitted?
Date here
25th May 2018

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