



The impact of government policy on social exclusion among working age people

A review of the literature for the Social Exclusion Unit
in the Breaking the Cycle series

Summary

Introduction

1. This literature review was undertaken by the Warwick Institute for Employment Research on behalf of the Social Exclusion Unit as one of four reviews relating to the impact of government policy on social exclusion over the lifecourse. The aim of this review is to consider the evidence (if any) of the impact of government policies on social exclusion amongst adults of working age (defined here as people aged between 25 and 59 (women) or 64 (men)).
2. Social exclusion is a multi-faceted concept embracing lack of, or limited, participation in key domains of modern life. In the case of people of working age, a key dimension of social exclusion is exclusion from the world of work, as this group of people is defined in terms of their availability for work. For this group, worklessness is not only a key indicator of social exclusion but is also a factor reinforcing other aspects of social exclusion, including poverty, homelessness and ill-health. For this reason, this review focuses largely, but not exclusively, on issues relating to participation in the labour market and access to work.

Scope of the review

3. There are a vast number of policies that have the potential to impact on social exclusion amongst working age adults. The approach taken in this review has been to focus on a number of broad aspects, or domains, of social exclusion and to consider the main policies and initiatives relating to each domain, rather than to report on each individual programme. The domains considered include the following:
 - **'welfare to work'** considers New Deal programmes and related initiatives;
 - **'making work pay'** focuses on policies including Work Focussed Interviews, transitional support (such as benefit 'run ons' and the Adviser Discretion Fund), recent tax and benefit reforms and the National Minimum Wage;
 - **'learning and skill acquisition'** looks at initiatives such as Work Based Learning for Adults, Adult Basic Skills and Employer Training pilots in the context of recent policy such as *Success for All* and the *Skills Strategy*;
 - **'long-term sickness and disability'** examines the impact of initiatives such as New Deal for Disabled People, Access to Work and the strategy set out in *Pathways to Work*;

- **'local area and neighbourhood renewal'** reviews a range of area-based initiatives including New Deal for Communities, Sure Start, Action Teams for Jobs, Employment Zones and Health Action Zones;
 - **'housing and homelessness'** considers a range of initiatives such as the Rough Sleepers Unit, the Homelessness Act, Homeless to Home, Business Action on Homelessness and Progress2work; and
 - **information and communications technologies** examines a range of initiatives with particular emphasis on Wired-up Communities, UK Online and learndirect.
4. Each of these is considered in the review. For each domain, a brief account is given of the main policy initiatives that might impact upon social exclusion. This is followed by a consideration of the evidence (if any) of impacts on social exclusion and examination of the factors that have affected that impact. Finally, issues that need to be addressed in each domain in the future are identified. The concluding section of the review sets out the key messages that have emerged from the review of policy and evidence.

Key messages from the evidence review

5. There is strong evidence of widespread impacts from policy both in terms of entry to employment and 'soft' outcomes that affect future employability and participation in work. It needs to be borne in mind, however, that these outcomes were achieved in a buoyant economic and labour market context. Current policies focus primarily on 'the supply side' in the sense of helping the excluded enter the labour market. There is scope for developing policy that would draw the excluded into employment through stimulating the demand for labour.
6. In many domains there are both national programmes and local initiatives/programmes. Indeed, the *raison d'être* of some local initiatives is to 'fill the gaps' left by national policy. The result is a 'patchwork quilt' of initiatives, policies and targets that can be quite difficult to navigate, so raising the question 'how much is too much?'. The multiplicity of initiatives can lead to difficulties in implementation of policy. This may also lead to difficulties in evaluation of policy, and measuring impacts. Moreover, because of the holistic nature of many initiatives, the impacts may be felt across a number of different domains.
7. While the development of a range of different programmes can target resources, such a proliferation can result in confusion (and lack of awareness) amongst those such programmes are intended to support and to issues of overlap, lack of co-ordination and ineffectiveness. This suggests the need for streamlining of policy in some areas and highlights the need for partnerships and other forms of collaborative working by the relevant agencies.
8. There may be a shortage of people with the skills necessary to help deliver policy effectively and consistently. Policy dynamism compounds this problem since staff implementing initiatives may be insufficiently aware of, or trained to deal with, rapid changes in programme rules, eligibility or involvement of partners.
9. It is increasingly recognised that many aspects of social exclusion are inter-related, with some individuals suffering social exclusion in several different domains. 'Joined-up problems' necessitate 'joined-up approaches/ policies' if they are to be tackled successfully. The move towards 'joining up' policy has resulted in great emphasis being placed on partnership working and joint action at national and local level across 'domains'. Nonetheless, given differences in for example, statutory responsibilities, partnership working is not without difficulties: not all partners want to, or find it easy to, work together.
10. While it would be unfair to claim that policy has been concerned only with 'quantity' rather than 'quality', there is evidence that initiatives have been more successful in achieving quantitative targets (e.g. job entry) and less successful in achieving qualitative targets (e.g. higher earnings and more sustained jobs). There are, of course, exceptions to this generalisation, such as New Deal for Lone Parents.

- 11.** Despite the development of a wide range of programmes, most evaluation evidence points to the fact that the most disadvantaged people continue to benefit least from policy. There are several reasons for this including:
- the disadvantaged and social excluded are (by definition) the hardest to help;
 - the scale of disadvantage often exceeds the capacity of policy (timescales, provision, multiple disadvantage); and
 - the most disadvantaged are less likely to take up programmes where entry is voluntary.

There may, therefore, be a case for greater targeting of the disadvantaged within programmes and initiatives.

- 12.** Because of the wide range of (sometimes competing) programmes for working age adults, it may be desirable to target resources. Targeting may relate to groups of benefit recipients or to geographical areas. By directing resources to where they are needed and tailoring provision to the specific needs on individuals or areas, a greater impact may be achieved.
- 13.** Policy to tackle social exclusion in terms of facilitating entry to employment has focused on tackling multiple barriers facing individuals (many of which may be personal, although some are environmental). This emphasis explains the use of *'personal advisers'*, which has been a key feature of recent initiatives.
- 14.** There is a need to provide support for some of the most disadvantaged people on an extended basis. For this group, 'getting a job' or 'getting a home' represents only the first hurdle in the journey out of social exclusion and assistance may be required in the early days in employment. 'Continuing help' is required if positive outcomes are to be sustained.
- 15.** It must be acknowledged that government policy to reduce social exclusion *takes time*. It takes time for partnership arrangements to be set up, and for strategies to be formulated and put into operation. Hence, 'quick fixes' are not always possible. In the past, short-term funding streams have meant that 'follow through' of successful initiatives has not always taken place, and staff with skills and knowledge may be lost. Also, those who are 'hardest to help' often require assistance over a long time period. In some programmes there is insufficient time to help the most socially excluded/deprived people and places. Combating social exclusion is about *cultural change* and this 'takes time'.

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