

# Bob-a-Job

## Abolish Working Links (AWoL)

For the last three years fifteen areas across the UK have been declared "Employment Zones".<sup>1</sup> This means private contractors have been brought in to deal with long-term unemployment in areas where it is at a high level using methods that guarantee maximum "flexibility". This is one of Labour's flagship privatisation projects. That unemployment is an individual, personal affliction is its explicit ideology. The following article looks at some of the effects this flexibilisation is having for claimants.

The model is the same throughout all fifteen Zones. After twelve or eighteen months claiming Jobseeker's Allowance (the main Unemployment Benefit in the UK<sup>2</sup>), you get a compulsory referral to the local Employment Zone contractor. You attend or you lose your benefits. You then spend nine months of any further year of unemployment with this contractor. The first three months of each stint, referred to as 'Step One', involve frequent one-to-one interviews with a 'Personal Adviser'. You're supposed to get the same adviser all the way through but bad organisation and a high turn-over among the employees ensure that this isn't always the case.

After three months you are called in to sign a 'Costed Action Plan', a sop to the 'Jobseeker's Agreement' with the Jobcentre, in which you agree to take certain steps to end *your* unemployment, and the Zone contractor agrees to 'help you'. After signing this document the contractor takes over the payment of your starvation rations, otherwise known as Jobseeker's Allowance, with the exception of fifty pence a week, which the Benefits Agency still pays in order to ensure access to "passport benefits" like Housing Benefit. That's called 'Step Two' and is usually where the real pressure on the claimant starts.

The figures from the 1999 document in which the government initially put the Zones out to private tender offered the following payments to Zone contractors for each claimant consigned to their charge:

- For each claimant referred to 'Step One': £300
- For each claimant progressing to Step Two the equivalent of six months Jobseekers Allowance: approximately £1,400
- For each claimant who finds a job, regardless of what help they may have got from the contractor: £435 (or £547 if unemployed for more than three years). And the contractor retains whatever's left of the six months Jobseekers Allowance.
- If the claimant retains the job for three months the contractor gets a bonus of £2,468 (or £3,098 if unemployed for more than three years)<sup>3</sup>

This is a recipe for disaster. As Eddie Spence, a senior officer in the Public and Commercial Services Union, put it:

The logic of paying a company large premiums to get people jobs, when it's not in the company's interest that they keep those jobs for more than three months, escapes me. If they actually were to provide secure, long-term employment, they'd be undermining their profits and thus their existence.<sup>4</sup>

Currently three contractors operate fourteen of the Zones: Working Links (Employment) Ltd, Pertemps Employment Alliance Ltd, and Reed in Partnership Ltd. The Nottingham Employment Zone is run by Nottingham Links, a partnership of Working Links and Nottingham City Council.

### Blood Money

The long-term unemployed in nine areas<sup>5</sup>—including my own, Brighton & Hove—have been delivered into the hands of the Zone contractor Working Links; a profit-making, public-private partnership consisting of the Employment Agency, Manpower, the consultants Cap Gemini Ernst & Young, and the Jobcentre (Plus!).

Working Links made a straight profit of £500,000 in their first year of trading, when most companies are laden with huge deficits due to initial capital investment. Once, while leafletting my Jobcentre, a man stopped and asked me: "What's wrong with Working Links? They've made me millions." It turned out he was a manager at Cap Gemini Ernst & Young. Indeed, the profits keep rising, last year running at £2.4 million.

Working Links are well known for sending people to other Employment Agencies, including Manpower, who will then also look for jobs for the claimants. Working Links boast in their literature that 15% of the work they find people is actually found by agencies. Very convenient. Not only can Working Links cash in on the premiums if other agencies find the claimants work, but agency jobs are usually short-term and employees less well protected than in regular jobs, so the claimants often find themselves back on the dole, then back in the clutches of Working Links, who can cash in on them again.

In Brighton, Working Links continually send claimants to the agency Personnel Selection, which was responsible for sending the 24 year-old worker Simon Jones to his death on his first day of work at Shoreham docks in 1998. The agency had not fulfilled its legal obligation to check out the Health and Safety provisions at the company they sent him to. Last April, Personnel Selection still didn't even have a Health and Safety Officer for the industrial sector where the most accidents occur.

### Intimidation & Humiliation

Staff of the private Employment Zones have the same status as Employment Officers, i.e. as

### The Ideological Underpinnings

**The retreat of social democracy... Re-imposition of work in Britain and the 'social Europe'**

*Aufheben*, issue 8, end piece

"...The 'Welfare-to-work' programme, which has been modelled on the programmes of the same name in the USA, is the emblem of New Labour's Third Way. Indeed the programme can be said to embody the key principles or 'values' behind much of New Labour's economic and social policies: links between government and business; 'responsibilities as well as rights'; a utilitarian approach to education; and the importance of work and self-reliance. The centrepiece of Welfare-to-Work is the 'New Deal' for 18-24 year olds, which the government has described as its 'flagship' policy. The New Deal and the other Welfare-to-Work programmes do not seek to create jobs: that would be far too Keynesian. Rather Welfare-to-Work is a 'supply-side' measure which seeks to get the reserve army of labour up to scratch so that, as the economy improves, employers are able to draw upon it instead of competing with each other for the existing 'job-ready' workers. And if the economy doesn't improve, the job-readiness of the reserve army of labour will serve as more than just a threat to those in work; in conjunction with the trend towards short-term contracts, it will enable a faster turnover of labour-power in order to keep wage costs down. Indeed, the 'modern economy' is all about just such 'flexibility'—employers being able to take up and shed labour when and where and under whatever conditions are demanded by the market. New Labour seeks to promote a greater sense of 'responsibility' in each individual to match their 'rights'. From this general 'sense of responsibility' will flow, it is hoped, a more participative and active engagement in 'the world of work'—whether through some kind of petty entrepreneurship or through accepting a shit job or crappy placement just to get a toe-hold in the labour-market. Despite how they appear to many claimants, therefore, the 'work experience' aspects of the New Deal programme aren't simply there to cut the dole figures as under the old Conservative approach: they are there to change people's expectations, their mentality, their acceptance of work-discipline and hence their labour-market position..."

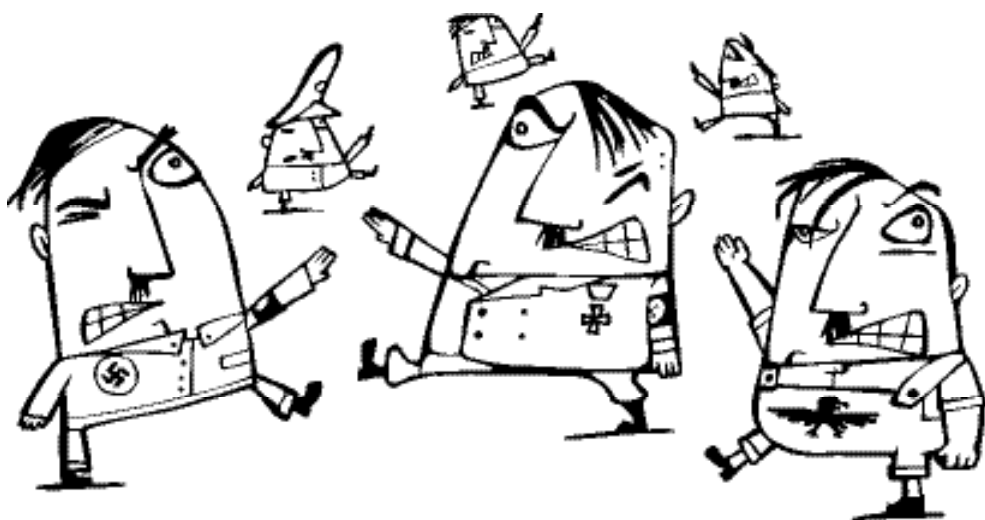
"The minimum wage today is not a concession to working class strength. Instead, it needs to be understood in relation to the Government's attempt to re-allocate welfare payments from non-workers towards those in work. While non-working claimants (e.g., unemployed, single parents, disabled, asylum seekers) are to be subject to greater means testing and cuts in eligibility, those in low-paid jobs are to receive a new 'Working Families Tax Credit' plus a 10p rate of income tax to make such low-paid work more attractive. In the context of benefits becoming in effect wage-subsidies, a minimum wage serves to contain such subsidies within reasonable limits and thus acts as a safeguard against employers shifting the cost of reproducing labour-power onto the state. It is not, therefore, a social democratic concession to a strong working class, but part of the broad project of re-imposing work."

The complete article can be found at:

[http://www.endpage.com/Archives/Mirrors/Aufheben/auf\\_8\\_work.html](http://www.endpage.com/Archives/Mirrors/Aufheben/auf_8_work.html)

Jobcentre workers. This means they can impose sanctions on the claimant. Sanctions include suspension of benefits ranging from two weeks to six months, which can also result in the withdrawal of Housing Benefit, Council Tax relief, and other Welfare Benefits, if the claimant is not sufficiently advised on how to proceed. Again, a recipe for disaster. The sanctions regime, introduced by the 1995 Jobseeker's Act is to be opposed whether it's implemented by the state or by a private company, but giving such huge responsibility over people's subsistence payments to a profit-driven organisation shows no more than contempt for the dignity of unemployed people.

This is borne out by the culture at Working Links. Almost everyone I've spoken to in my area who's been through the scheme uses the words "condescending" and "patronising" to describe staff behaviour. They love to treat you like a pal, disrespectfully and not shy of suddenly getting the cosh out. They don't seem to use sanctions that much here, but threaten to. I have encountered people who've actually been sanctioned, but mainly they rely on bullying and intimidation, below



Illustrations: Paul Bommer

the belt and humiliating comments. Many find the constant harassment too much to bear and end up on the sick. In fact, 7% of the UK working age population are on the long term sick, as opposed to only 3% in most other European states.

In Plymouth, on the other hand, claimants are constantly threatened with Jobseeker's Directions ordering them to do all sorts against their expressed will under pain of benefit cuts. And these are enforced in the case of non-compliance. As a claimant, Dereck Jennings was ordered by Working Links in Plymouth to apply for a job at the Post Office via the agency Pertemps. When he didn't comply, due to the fact he'd already applied for a job there and failed to get it, he was sanctioned for two weeks, and warned he'd get six weeks, three months and then six months in case of further "uncooperative behaviour". He was then given a further Jobseeker's Direction, ordering him to attend Working Links every day to improve his typing skills. Royston Vasey wasn't satire. Dereck eventually managed to get better treatment by going to a solicitor on legal aid, who pointed out to Working Links that their requirements on him were "unreasonable".

## Kafka's World seen through the looking glass

When specifying the circumstances under which Zone contractor staff may impose sanctions the government mentioned no more than a failure on the part of the claimant to "co-operate". What this means is defined by the operational procedures of the particular company involved. When I looked at the legal background I was surprised to discover that there is absolutely no statutory legitimation for sanctions imposed by Zone contractors on jobseekers who are not looking for work! The 'Employment Zone Regulations 2000' stipulates that the following requirements of jobseekers are suspended for the duration of being on 'Step Two' of Employment Zone:

- the requirement to have a valid Jobseeker's Agreement
- the requirement to be actively seeking work
- the requirement to be available for work

*All suspended!*

This is supposed to provide maximum flexibility for the Zone contractor to send people on training schemes. It also provides the advisors with maximum flexibility to impose sanctions, reducing the framework for deciding whether someone is "co-operating" or not to a question of discretion. You can, however, still appeal against sanctions from the Zone contractor through the normal appeals procedure at the Jobcentre—for what it's worth.

Further definition of the "co-operation" claimants are supposed to display to ensure receipt of their weekly pittance is not available, but apparently the 'Jobseekers Regulations' of 1996 do apply. This means that, in order to be classed as actively seeking work—despite this requirement's annulment in the 'Employment Zone Regulations 2000'—you have to "take more than one step on one occasion in any one week". A "step" can be looking in the papers, visiting the library, asking friends etc.

With Working Links, however, you're asked to sign up to applying for as many as five jobs a week in your "costed action plan". A job application can comprise of a number of "steps". How many steps you have to take when dealing with the Jobcentre depends on what you negotiate at your Jobseeker's interview when you sign on. Working Links, on the other hand, have standard numbers of applications you have to agree to make, practically irrespective of your personal situation. They talk about a "motorway" with a fast

lane, a middle lane and a slow lane. Should you want to see these 'standards', you are met with the wall of "commercial confidentiality". The documents, such as the contract between Working Links and the government, where their obligations vis-a-vis claimants are presumably defined, is not allowed to be seen, as we are told it contains information that might affect their profits if shown to third parties.

In Doncaster the Employment Zone is run by the Employment Agency Reed<sup>6</sup>, pioneers in public-private partnerships in matters of labour exchange. Claimants there have to negotiate 'Action Plans' every couple of weeks, in which they agree to carry out painstakingly detailed schedules, including cold-calling employers with the added, absurd requirement that they procure business cards or letterheads as proof that they've done it. Invariably, the only obligation on the side of Reed is to "provide support". What a sick joke.

(A Department of Work and Pensions Study revealed last year that Reed advisers were being offered £200 bonuses per job placement, and that their job security was linked to reaching targets. One adviser had been on one-month contracts for the last 9 months.)<sup>7</sup>

Democracy stops at the factory gate, for sure. The Employment Zone set-up doesn't even have the pretence of democratic transparency. It's just load them up and boot them off, a wholesale stripping down of constitutional form to the naked profit motive. It provides a framework for frustrated, tin-pot Hitlers to live out power trips at the expense of often quite vulnerable people.

## Banking on it

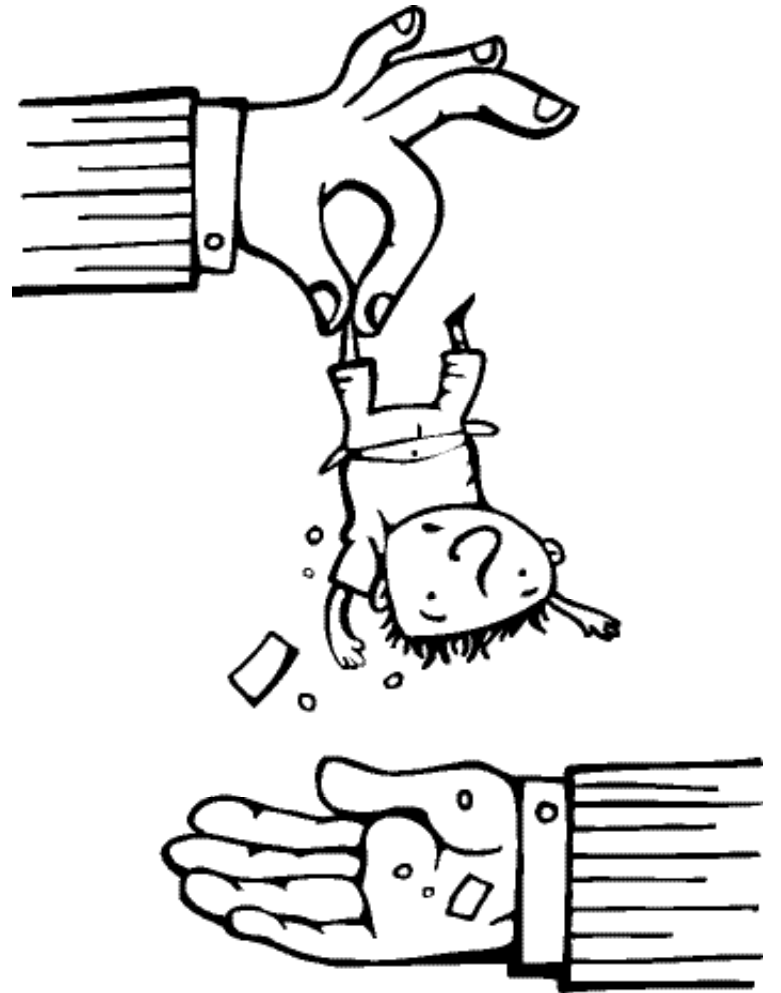
All Employment Zone models, whoever delivers them, are supposed to incorporate something called the 'Personal Job Account'. This is money that can be paid for training or tools to help your jobsearch and to give you more of a stake in determining your future, because you are supposed to have a say in how it is disbursed. No one really knows how much is available in the account. Advisors give conflicting information. Some advisors don't deal with it at all. With Working Links access to this money is always connected to a deal of some kind. You can get a couple of hundred quid to buy yourself some clothes, a computer, whatever your adviser agrees to. In return you're supposed to take a job you may not want, or even just, as we heard from one bloke, sign off for 3 months. There's something basically offensive about reducing decisions that will change the course of your life and may exclude you from National Insurance schemes for a period to this kind of cattle-market barter. This money has been set aside for the claimant's needs. Access to it should not have strings attached. No deals.

What this cannot replace, however, is proper funding for training for those who want it.

The New Deal for over 25s is not available in Employment Zone areas, because the money has been given to Working Links or the other contractors. While the New Deal is essentially a compulsory, workhouse-style policy aimed at disciplining and degrading the unemployed, it can offer limited educational and training opportunities. With New Deal, you get four options after 18 months (for over 25s) or 6 months (for 18-24 year-olds) unemployment: Environmental Task Force (sweeping roads for 6 months); Voluntary Sector (working for your dole in charity shops); Subsidised Employment (the government pays £75 a week to an employer to employ you for 6 months); or Training and Education.

The fifth option is: you starve.

Unsurprisingly, by far the most popular of these duress choices has been the Training and Education option. However, neither this, nor so-called Work-Based Learning for Adults— another



scheme where you work towards a qualification while still receiving dole—are available in Employment Zones, where the combination of training and receiving dole is anathema. The couple of hundred quid Working Links may bung at people as a bribe to get off their books is no replacement for proper training facilities. Long-term solutions aren't part of their repertoire.

Where Working Links have contracted themselves into the implementation of other New Deal services not excluded from Employment Zone areas, accusations of under-investment and short-termism also abound. They are involved in administering the 'New Deal for Communities' in Whitehawk, Brighton's largest council estate. Community workers have complained vociferously about the fact that abundant demand exists for training in trades such as plumbers, carpenters, electricians. Working Links will only provide quick computer courses for admin skills. Given that the New Deal funding depends on the number of people registered on the scheme, one community worker was prompted to comment "they're only interested in bums on seats." Several Working Links workers in the 'New Deal for Communities' scheme in Whitehawk are reported to have left in disgust at the company's cavalier approach to expressed needs of the people they're supposed to be helping.

## It's gonna get worse - from worthlessness to worklessness

From next year selected towns will be hosting multiple Employment Zone contractors. Claimants will be allotted to the different contractors randomly, and the contractors will compete with each other for performance related bonuses. The lucky areas with multiple contractors are: Glasgow, London, Liverpool, Birmingham.

Claimants returning to the New Deal for 18-24 year-olds after one stint will be automatically referred to the Employment Zone.

(Not surprisingly, the Minimum Wage regulations discriminate against these young workers. There's no minimum for under 18s, and 18-21 year-olds only get £3.80 an hour, so they have very little bargaining power.)

Lone Parents will also be referred to the Employment Zones, at this stage voluntarily, but that can change.

Better still, from April 2004 pilots will begin in 12 sites where entry to New Deal or Employment Zone will be accelerated to just 3 months. These are: Tower Hamlets, Knowsley, Wirral, Sheffield, Newcastle-upon-Tyne, Birmingham,



Middlesbrough, Swansea, Great Yarmouth, Hastings, Glasgow City. These areas are being labelled "concentrations of worklessness".

The bidding guidelines for the new contracts indicate that Zone contractors will have to be responsible for claimants for the 3 months of the year when they are back at the Jobcentre, as well as the other 9 months. They will also be able to cash in on the back to work bounties during this period!

### Ideological Exports

On January 1st 2003, the Social-Democrat German government passed a bundle of laws introducing the most profound changes in the Welfare State seen in the post-war era. The changes in the benefits structure resemble and are openly discussed as a direct rip-off of the British model. Furthermore, the German welfare reform envisages the creation of profit-making partnerships between the German Jobcentres and local temp agencies, to be called Personal Service Agencies. This sounds very familiar. Slightly different is the fact that claimants will be "under contract" to these agencies, which will be able to hire them out directly at a rate 20% below union tariff.

This has profound effects for everyone dependent on a wage to live. The traditionally high wages in Germany acted as a comparative ceiling, which other national economies would partially undercut. With the ceiling of the European wage structure fallen in, and the final bastion of state investment in the labour market in Europe toppled, wage levels will be much harder for workers to negotiate all over the continent. Cheers, Tony.

### Resistance - is anybody out there?

The Employment Zones met with some initial resistance from the PCS, the Union representing Jobcentre and Benefit Agency staff. Privatisation threatens jobs and makes it more difficult to defend pay and conditions. The PCS started a campaign against the Employment Zone, which started with a policy of non-secondment, advising members to refuse to work for the Zone contractors, despite enticing pay differentials.<sup>9</sup> A campaign with the local Trades Union Council was started in Merseyside. The Union is still generally opposed to privatisation of public services and published a "bill of rights" for Jobcentre workers and claimants in collaboration with the "National Unemployed Workers Centres Combine" in September 2002. The specific campaign against Employment Zones seems to have dwindled, however.

The Claimant's movement in this country is very weak at the moment. A campaign started by claimants in Brighton & Hove last year is the only one I know of to address the issue. Results have not been spectacular in terms of recruitment, but it appears from comparison with other towns that

## Poverty, Inequality & Minimum Income

Donnie Nicolson

When Blair's New Labour came to power in 1997, it did so under substantial rhetoric, talking about an end to poverty, ostensibly backed up by the introduction of new policies such as the long awaited minimum wage.

But beneath this superficial veneer was the stark reality that the quality of life had by those on benefits under the Tories would not improve, and that poverty, including discrimination against those who rely on benefits, would continue into the new millennium.

Perhaps the most damning of all criticisms of Blair's 'New Welfare State' is that the minimum wage, far from tackling poverty, actually serves to perpetuate it. The woefully low wage now stands at £4.20 per hour for workers aged over 22 years, and £3.60 for those between 18 and 22 (those under 18 do not even qualify for the reduced rate). Now employers who pay low wages have the golden excuse of being 'NMW compliant' and are considered above criticism.

So despite (or even because of) this new minimum wage, poverty is increasing. In Scotland, one in three children and one in four pensioners lives in poverty. The Low Pay Unit has in the past pointed to the European Decency Threshold, previously set at 68% of male median earnings. This is suggested to be the lowest wage necessary to have a reasonable standard of living, without relying on tax credits or other benefits, and in the UK this would be substantially above the present minimum wage, at around £7.40 per hour.

Those workers struggling to bring up a family, pay rent and council tax, water charges, utility bills, VAT at 17.5%, etc. while receiving the minimum wage have to rely on other forms of benefits, like tax credits and child support. This is evidence which points to the inadequacy of the current minimum wage.

The idea that younger workers receive a reduced wage is reflected in 'Jobseekers Allowance'. The current level is just over £42 per week for those under 25, while those above 25 receive just over £55 per week. When I

enquired about this difference at the Benefits Office, a worker there told me that the idea was that younger people would be encouraged to stay with their parents!

So while we have pensioners, low paid workers, lone parents, and the unemployed all with very low levels of minimum income, there is one group in society for whom there is no minimum income level at all. Students in further and higher education no longer receive grants. They are no longer able to claim benefits outside of term time, although they can work. This forces many students to take up one or more part-time jobs alongside their studies, discriminating against students from poorer backgrounds. The culture of student loans and 'top-up' loans prepares debts averaging over £10,000 after graduation.

One of the ironies of this is that the MPs and MSPs who have introduced legislation to bring about this state of affairs went to university and had their education paid for by the state, with half-decent minimum income levels that they are now denying to their children's generation.

New Labour's re-organising of unemployment benefits includes schemes like Jobseekers' Allowance, the New Deal, Restart programmes and Jobcentre Plus. After researching the effects and perceived effects of these schemes, it would be easy to become cynical about their aims. It seems clear that the driving force behind the new programmes is not the importance of tackling poverty and genuinely decreasing unemployment. The purpose of, especially, New Deal and the desperate and demoralising Restart schemes are to get as many unemployed 'work ready' and into any job whatsoever as is (in)humanly possible.

Back in 1997, the theme tune to a (New) Labour victory was 'Things Can Only Get Better'. Fast forward to Scottish parliamentary elections in May 2003 and we had Pauline McNeill, Labour MSP for Glasgow Kelvin, driving her election van and playing 'Better the Devil you know' over the tannoy. You can only laugh.

claimants here aren't treated quite so badly. Whether this is indirectly a result of the campaign is a moot point, however.

The best way forward has to be from the bottom up. Getting together with fellow-sufferers in local claimants' groups to share information and try to expose the Employment Zones wherever possible will lead to a strengthening of claimants' hand, both collectively and individually. These companies rely on their public image, that is their weak spot. Many claimants are scared that if they stick their heads above the parapet they might lose their means of subsistence. Some individuals find that the opacity of Employment Zone structures and organisation offers them a shelter against the increasingly hostile environment at the state-run Jobcentres. It is false to play the one off against the other. We need to be speaking out against both.

Please send any information on harassment from Working Links or other Employment Zone contractors to:

AWOL, c/o  
Brighton and Hove Unemployed Workers Centre  
4 Crestway Parade, The Crestway, Hollingdean,  
Brighton BN1 7BL

e-mail: stopdoleprivatisation@yahoo.co.uk

### Notes

1. Employment Zones are situated in Birmingham, Brent, Brighton and Hove, Doncaster and Bassetlaw, Glasgow, Haringey, Heads of the Valleys, Caerphilly and Torfaen, Liverpool and Sefton, Middlesbrough Redcar and Cleveland, Newham, Nottingham, North West Wales, Plymouth, Southwark and Tower Hamlets.

2. Per week: £53.95 for over 25s, £42.70 for 18-24s, £32.50 for 16-17s.
3. The funding arrangements are projected to change in October after re-negotiation of the contracts: the 13 week back to work bonuses will be £3,600 if the claimant is on Step 1 or has been through the EZ once already and £2,400 for all other claimants. The original 1999 bidding guidance is to be found at [www.uuy.org.uk](http://www.uuy.org.uk) or can be obtained from the DWP. The new guidelines for the next five years of contracts are contained in the "Invitation to tender for single provider Employment Zones, May 2003". The result of the bidding should be known around August the 4th.
4. Speaking at the TUC Unemployed Workers Centres Conference, October 2002.
5. Working Links Employment Zones are: Brent, Brighton, Glasgow, Middlesbrough, Nottingham, Plymouth, Southwark, Tower Hamlets, Wales
6. The *Independent* reported on 9/6/03 that Reed in Partnership's offices in Liverpool have been raided by Merseyside police in a hunt for evidence of a £3m alleged fraud and the alleged employing of illegal workers. Reed in Partnership is run by Alec Reed, a Labour Party supporter who has donated £120,000 since 1995. In addition, Lord Sawyer, a former general secretary of the Labour Party, is a former non-executive director of Reed Healthcare, which provides nursing staff.
7. DWP report: "Personal Advisers in New Deal 25+ and Employment Zones" August 2002.
8. Last year advisers on the New Deal 25+ programme earned a basic salary of £14,000 - £16,000 p.a. By contrast EZ advisers earned £16,000 - £25,000 p.a. Reed's bonus system brought some adviser's pay up to £40,000 p.a. (ibid.)