# WOMEN ON INCAPACITY BENEFITS

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**Contents**

Summary 5

1. INTRODUCTION 9

2. STATISTICAL OVERVIEW 15

What exactly are incapacity benefits?
National trends
The geography of IB claims
Gender, employment and ill health
Understanding the trends

3. NEW SURVEY EVIDENCE 61

The survey
Women on IB: who are they?
How much do household circumstances matter?
A move back to work?

4. QUALITATIVE EVIDENCE 105

In-depth interviews
Is there a 'sick culture'?
'Hidden unemployment' or 'sickness'?
'Rational' or 'dependent'?
A typology of women claiming incapacity benefits
What would help claimants return to work?

5. CONCLUSIONS 135

References 147

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## Summary

*Background*

Across Britain, the number of women of working age claiming incapacity benefits (IB) is now nearly 1.1 million, up from around 350,000 in the early 1980s. Moreover, whereas the number of men of working age on incapacity benefits reached a plateau in the mid 1990s, the number of women continued to increase well into the 2000s. Among the under 60s, there are now almost as many women on incapacity benefits as men.

This report explains why the increase has occurred. The report also explains why the women on IB are so heavily concentrated in almost exactly the same places as the men on IB – in particular in the older industrial areas of the north of England, Scotland and Wales, where 10 per cent of all women of working age often now claim incapacity benefits.

Explanations for the increase in incapacity claimants have typically focussed on *men*, and in particular on the disappearance of male jobs in mining and manufacturing. These explanations are less obviously applicable to *women*, for whom there have mostly been rising job opportunities.

The research comprises three main strands:

- A comprehensive analysis of secondary data
- A new survey of incapacity benefit claimants
- In-depth qualitative interviews

*Strand 1: Analysis of secondary data*

This part of the research looked at data from a wide range of sources including DWP benefits data, the Census of Population, Labour Force Survey, Annual Business Inquiry and General Household Survey. Substantial parts of the data were assembled on a consistent basis for all post-1996 districts in England, Scotland and Wales for a number of dates from 1981 to the present day.

The figures highlight the huge scale of the increase in the number of working-age women claiming incapacity benefits and the big differences between different parts of the country.

This part of the research identifies four main contributory factors to the increase in the number of women on IB since the early 1980s:

- *Hidden unemployment*. These are the women who could be expected to have been in employment in a genuinely fully employed economy – an estimated 430,000 in all.

- *Rising labour force participation*. This has led to a commensurate increase in the number of women on IB of around 125,000.

- *An ageing population*. This has increased the number of IB claims by women by an estimated 35,000, since the likelihood of claiming IB rises with age.

- *A diversion of lone parents from Income Support.* This accounts for around 125,000 women on IB.

There is little evidence that any deterioration in the underlying health of the working age population has contributed to the increase in IB claims among women.

There is clear statistical evidence of a link between the local and sub-regional demand for labour and female IB claims. There is also clear evidence of a link between the male and female sides of the labour market. In simple terms, job loss and unemployment among men is being transmitted, via competition in the labour market, to higher IB claims among women in the same places.

*Strand 2: A new survey of incapacity claimants*

A face-to-face survey of incapacity claimants was carried in eight local authority districts, all with high IB claimant rates, spread across five regions. The survey achieved a high response rate and a broadly representative sample. Useable data was collected on 1,935 women and 1,694 men. This is the largest and most comprehensive dataset on the stock of IB claimants to have been assembled in recent years.

The survey data points to a stock of female incapacity claimants that is often extremely detached from the labour market and to many women who face formidable obstacles to moving towards employment. 60 per cent have no formal qualifications. 40 per cent have been out-of-work for ten years or more. Only 29 per cent say they might like a job, now or in the future, and fewer than one-in-twenty are actively looking for work. A degree of ill health or disability appears to be almost universal among these women, though only a quarter say they 'can't do any work'.

A key finding is that on a wide range of indicators the men and women who claim IB appear virtually identical. In essence, they occupy almost exactly the same, lower end of the labour market and share the same assessment of their opportunities.

What seems to be happening is that in difficult labour markets the competition for jobs is marginalizing the women (and men) with poor qualifications and poor health. This is a group that would anyway find it difficult to maintain a foothold in the labour market. These men and women then claim incapacity benefits rather than unemployment benefits because their health problems allow them to do so and because in most circumstances they are financially better off doing so.

*Strand 3: In-depth interviews*

In-depth follow-up interviews were carried out with 73 of the women surveyed in Strand 2, chosen to reflect claimants in a range of household circumstances and with different labour market aspirations. In addition, 41 interviews were carried out with

professional stakeholders such as Jobcentre Plus staff, providers of employment support, retraining and rehabilitation, GPs, public health officials and medical officers with DWP.

The interviews provide little evidence of cultural acceptance of being 'on the sick'. Nor do women's experiences of claiming incapacity benefits support the view that there is heightened awareness among the general population of incapacity benefits in areas of high claims. GPs and benefit officers reportedly encouraged incapacity claims until the mid to late 1990s but both sets of professionals now encourage people to remain in or move towards employment whenever possible.

In order to qualify for incapacity benefits, all women must be sick or disabled, at least to some extent. In practice, most women on IB appear to be both 'sick' and unemployed'. Once out-of-work on incapacity benefits, however, their self-image can shift from being a 'worker' to being 'sick'. Extended periods on IB also appear to be associated with accumulating or worsening health problems.

Likewise, rather than being either 'rational' or 'dependent' in claiming incapacity benefits, most could be better described as 'risk averse'. To a woman who is risk-averse, 'dependency' is a rational choice because entering employment risks their health and financial stability should a job not work out.

*Conclusions and policy implications*

The research took taking place at a time of rapid welfare reform, especially regarding incapacity claimants.

The economic recession, which began to bite as the research was drawing to a close, also changes the policy context. The expectation must be that in a more difficult labour market it will be harder to re-engage IB claimants with jobs because the newly unemployed, with more recent work experience and better health, will generally be preferred by employers.

The findings point to the need to promote economic regeneration in the areas where incapacity claimants are concentrated. They also point to the need for sustained interventions to assist the IB claimants who express an interest in working again – help with training, physical and mental rehabilitation, confidence building and financial advice.

The findings do however bring into question the wisdom of extending compulsory labour market activation measures to most of the existing stock of IB claimants, as currently proposed, bearing in mind the very high levels of labour market detachment and the often formidable obstacles to re-employment.

# 1. INTRODUCTION

## Men, women and incapacity benefits

There has been a marked increase in the number of people claiming disability benefits in a number of European and other developed countries over the last 25-30 years. Although international comparisons are problematic because of different entitlement rules, the scale of receipt of disability benefits is apparent in a number of countries. Within Western Europe, just under 10 per cent of the Dutch working age population claims disability benefits. Sweden has the next highest rate at almost 9 per cent, Denmark at over 7 per cent, followed closely by the UK at 7 per cent (Kemp 2006).

This trend is of social and economic concern. Long-term benefit dependency, poverty and ill-health have consequences for individual well-being and lead to disengagement from the labour market. Barriers to moving back into employment restrict labour supply, and the skills and experience of these men and women become unavailable to potential employers. The payment of state benefits to such a large number of people also represents a substantial expenditure.

Reflecting these concerns, the UK government has set a target of a one million reduction in the number claiming incapacity benefits by 2016 (DWP 2006). This is to be achieved by labour market activation programmes and by a newly reformed incapacity benefit introduced in October 2008 – Employment and Support Allowance - that will eventually require most new claimants to engage in 'work-related activity', for example taking part in rehabilitation or retraining (DWP 2008). Employment and Support Allowance applies initially only to new claimants but existing claimants will progressively be moved over by 2013. A new, tougher Work Capability Assessment also replaces the previous Personal Capability Assessment.

The rapid decline in manual employment in the UK throughout the 1980s and 1990s produced large numbers of men out of work with ill health and limited alternative employment prospects who consequently claimed incapacity benefits. This was partly because unemployment benefits are means-tested for most claimants, unlike Incapacity Benefit (IB), which is only means-tested for a small number of post-2001 claimants with significant pension income. Unemployment benefits also involve job search obligations that are absent from the IB regime. This benefit shift resulted in large numbers of men on incapacity benefits who were in effect 'hidden unemployed'. By the end of the 1990s, many male incapacity claimants were geographically concentrated in areas of industrial decline and a high proportion still said they would like a job (Alcock et al 2003).

The number of women claiming incapacity benefits in the UK was initially lower than men, and the biggest increase occurred somewhat later, particularly in the 1990s, and carried on in the first part of the following decade after the male figures reached a plateau. In May 2008, the headline GB total of just over 2.6 million incapacity claimants was made up of 1.5 million men and 1.1 million women. However, women access state retirement pensions earlier than men, at 60 rather than 65. Stripping out the 60-64 year old male incapacity claimants, for which there is no comparable group of women, the ratio of male to female incapacity claimants in the 16-59 year old age group is just 52:48 in favour of men.

**Explaining the rising number of women on IB**

The large increase in the number of women claiming incapacity benefits in the UK is hard to explain in the same terms as for men. On the whole, the industrial job losses of the 1980s and 1990s were a male phenomenon, in sectors such as coal, steel and heavy engineering. That so many men in the areas affected by these job losses now claim incapacity benefits does not therefore seem difficult to understand. But in contrast, in the UK women have mostly seen an expansion in employment, underpinned by growth in the service sector, including in Britain's less prosperous areas where (as the evidence presented later shows) female incapacity claimants are overwhelmingly concentrated alongside their male counterparts.

One possible explanation is that 'male' and 'female' sides of the labour market are much less segregated than in the past, with the consequence that the overall levels

of labour demand and supply in a local labour market affect men and women more equally. Where men are pushed out of the labour market and onto incapacity benefits, much the same competitive pressures therefore affect women as well. But this is not the only possible explanation.

A potentially important factor is the growth in the number of women taking part in the labour market. There has been a substantial increase in the economic activity rate among working-age women over much the same period as the growth in the numbers of women claiming incapacity benefits (Anyadike-Danes 2007). More women in employment means that more women accumulate the National Insurance contributions that give them entitlement to Incapacity Benefit. More women in employment also means, perhaps, that when they are out-of-work they are more likely to expect the benefits system to offer them financial support. However, the increase in labour market participation among women has been proportionally much smaller than the increase in the number of women claiming incapacity benefits.

The shift in the balance of employment from industry towards the service sector is an important factor behind the increase in female employment (McDowell, 1989). Women are disproportionately concentrated in the service sector and the re-structuring of the British economy has led to increasing opportunities for them to work (Rubery et al, 1996). De-industrialisation has on the other hand led to large numbers of men being displaced from employment (Alcock et al, 2003; Gregg and Wadsworth, 1998).

Despite advances in the labour market, women remain over-represented in low-paid and low-skilled work (Rubery et al 1994, Warren and Walters 1998) and a gender gap in pay remains. Women sometimes fulfil the function of peripheral or secondary workers in a segmented labour force, which in turn can lead to the operation of dual labour markets (Doeringer and Piore 1971, Hudson 1988). This peripheral position in the workforce may in turn mean that women are more at risk in times of economic downturn.

Women have also traditionally tended to be concentrated within certain types of jobs or occupations, often with fellow workers who are predominantly women (Burchell and Rubery 1994; MacEwen Scott 1994). The boundaries between what is considered to be ‘men’s work’ and ‘women’s work’ may however be becoming less rigid over time. Men who were made redundant from heavy industry in the 1980s

and early 1990s may have declined to consider job opportunities in occupations that they viewed as 'women's work'. However, for just about all the younger cohort of men behind them, employment in heavy industry has never been a realistic option. These younger men may have different expectations and perceptions about the nature of appropriate work, and the conditionality attached to Jobseeker's Allowance makes it more difficult for them to be choosy about what they will accept. Remaining on benefit, or holding out for a traditionally 'male' job, may no longer be a realistic option. At the same time, large numbers of women now work in some hitherto 'male' occupations.

In parallel, there have been important changes to women's position and status within households that may affect their likelihood of claiming state benefits, including incapacity benefits. Perhaps the most striking change of recent decades is the increased number of lone parents, most of whom are women. Lone parents of school-age children have had entitlement to Income Support without the requirement to look for work or be available to start work. Some lone parents, however, claim Income Support on the grounds of sickness or disability, rather than on the basis of their caring responsibilities, and this is not an entitlement that automatically disappears as their children grow older. Lone parenthood rates are higher in areas of higher male worklessness (Rowthorn and Webster 2007).

Increased levels of separation and divorce, in particular, have also produced more single-person households of both men and women. In the past, a married or cohabiting woman in poor health may not have considered claiming incapacity benefits because she expected to be supported financially by her partner, especially if she saw her primary role as being in the home. But separated and living on her own, she may become more likely to claim incapacity benefits as the necessary means of support.

Married or cohabiting women may also be more likely to claim incapacity benefits than in the past because increased labour market participation among women means they are more likely to have access to Incapacity Benefit in their own right. Decreased labour market participation rates among men mean that there is also greater need for women to claim benefits to bolster household income.

Despite advances in life expectancy it is not self-evident that ill health and disability among the working age population have declined. Heightened awareness, increased

propensity to visit a GP and improved diagnosis may all have contributed to an increase in reported ill health irrespective of any actual changes to the underlying health of the nation. Ironically, improved treatments resulting in higher survival rates for diseases such as cancer may have actually increased the share of the population with health problems. The incidence of some diseases is rising, including among the working age population who are potentially eligible for incapacity benefits, most notably depression, diabetes, asthma and some cancers. The incidence of different diseases varies between men and women. For example, women report higher levels of depression but men display higher levels of heart disease.

It is perhaps significant that geographic concentrations of incapacity claimants coincide with parts of the country with poor public health. Large geographic differences in health existed long prior to the big increase in the number of incapacity claimants. Nevertheless, persistent poor health in some areas may make their populations more likely to move onto incapacity benefits during an economic downturn and less likely to move off at a later stage (Shuttleworth et al, 2008).

### Structure of the report

This report sets out the findings of a major study seeking to understand the rising number of women claiming incapacity benefits in the UK. The research as a whole involves the following three 'strands':

- *Strand 1* – An analysis of secondary data relating to trends in the number of women claiming incapacity benefits, including the labour market and health contexts and comparisons with men.

- *Strand 2* – A large-scale survey of women claiming incapacity benefits, identifying their principal personal characteristics, the reason for job loss, aspirations and obstacles to employment.

- *Strand 3* – Follow-up in-depth qualitative interviews with a sub-set of Strand 2 respondents, and with key professionals involved in the benefits system, those involved with providing retraining and rehabilitation schemes and GPs, to better understand the circumstances and motivation of claimants.

The following three sections of the report present the findings from each of these strands of the research. A final section presents the overall conclusions and assesses the implications for public policy.

# 2. STATISTICAL OVERVIEW

This section presents the findings from Strand 1 of the research. It looks at key trends in the level of incapacity claims among women in relation to labour market restructuring and in the context of wider demographic and household change. It presents information on employment, labour market participation, gender segmentation, ageing within the working age population, changing household structures, levels of sickness and disability among the working age population and on changes in the employment prospects of the sick and disabled. The paper also looks specifically at the *geography* of women claiming incapacity benefits.

This section draws on a wide range of secondary data including benefits data, the Census of Population, the General Household Survey, and the Labour Force Survey. Inevitably, not all this data is available for consistent time periods, with some data sources stretching further back than others. As far as the data allows, the focus is on the pattern of change between the early 1980s and the present day.

### WHAT EXACTLY ARE 'INCAPACITY BENEFITS'?

It is appropriate to begin by defining precisely what is meant by 'incapacity benefits'. The headline figure of 2.6 million non-employed working-age incapacity claimants in Britain, now widely quoted in public debate, is made up of four groups:

- **Incapacity Benefit** (IB) recipients. These men and women make up around 60 per cent of the total. To qualify for IB an individual does not have to be incapable of all work in all circumstances. Rather, they must score sufficiently

highly on a ‘Personal Capability Assessment’ to be not required to look for work as a condition of benefit receipt. Incapacity Benefit is not means-tested except for a small number of post-2001 claimants with significant pension income.

- Incapacity claimants who fail to qualify for Incapacity Benefit itself because they have insufficient National Insurance credits. The government counts these men and women as IB claimants but most of these **NI credits only claimants**, as they are termed, actually receive means-tested Income Support, usually with a disability premium. They account for a further 30 per cent of the total, though a higher proportion of women than men.

- **Severe Disablement Allowance** (SDA) recipients. SDA is paid to pre-2001 claimants with a high level of disability and a poor NI contributions record. They account for the remaining 10 per cent. SDA is closed to new claimants.

- **Employment and Support Allowance** (ESA) recipients. This new benefit was introduced in October 2008 for new claimants and all existing IB claimants will gradually be moved across, subject to a new medical assessment (the ’Work Capability Assessment), by 2013. ESA includes both means-tested and non-means tested components, dependent on National Insurance contributions. ESA is too new to be included in the figures in the present report.

Excepting a very small number of claimants who undertake what is known as ‘permitted work’ (for example as a form of rehabilitation) none of these incapacity claimants are in employment.

For many men and women leaving a job because of ill health, disability or injury, Incapacity Benefit is accessed after six months – the employer is in most cases liable for Statutory Sick Pay for the first six months. A proportion of new claimants do however move onto IB directly from work (for example in the case of redundant workers with health problems) or from other benefits.

The individual’s own GP signs off the initial claim but this is subsequently reviewed by doctors working on behalf of the Department for Work and Pensions. Under

benefit rules, it is not possible to claim any of these incapacity benefits (IB, NI credits, SDA or ESA) at the same time as unemployment benefits (Jobseeker's Allowance). It is however possible to claim a number of means-tested benefits, including Income Support, alongside incapacity benefits, depending on household circumstances. Incapacity Benefit itself is not generous – the long-term rate is only just over £80 a week – and in practice few IB claimants get by on Incapacity Benefit alone.

## NATIONAL TRENDS

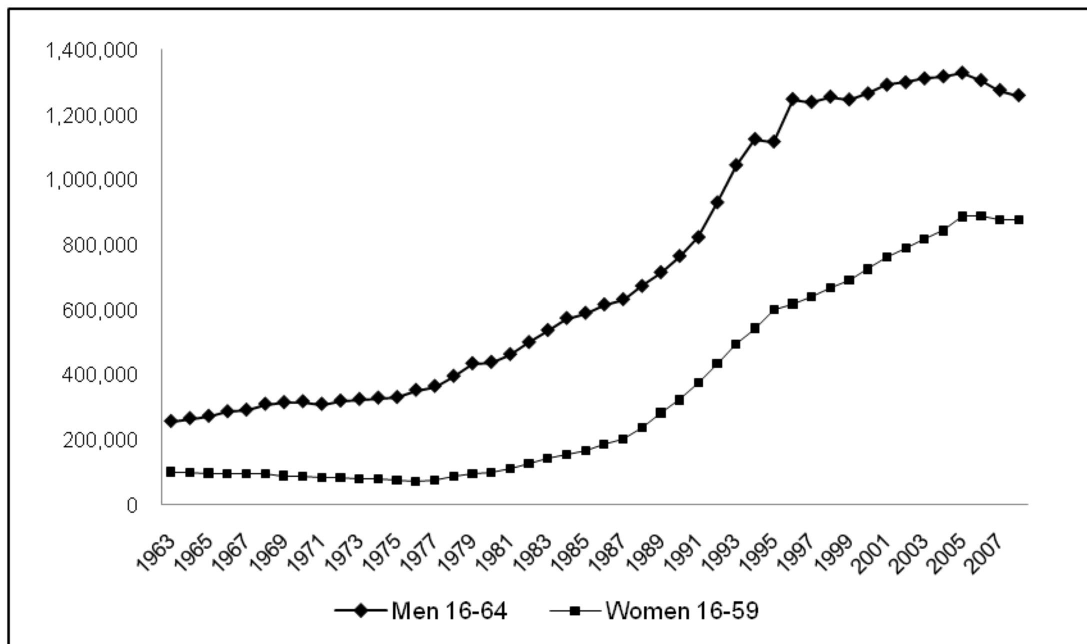
### The stock of IB claimants

Figure 2.1 takes a very long view of the number of men and women claiming incapacity benefits. The GB data here refers to working-age claimants of Incapacity Benefit and its predecessor Invalidity Benefit, including 'NI credits only' claimants. The figures exclude short-term claimants (less than six months) and claimants of Severe Disablement Allowance.

The data in Figure 2.1 shows that the rise in the number of men claiming incapacity benefits can be traced back to the 1960s, though the pace of the increase accelerated in the 1980s and early 1990s. Following benefit reforms in 1995, which included the introduction of new medical checks by DWP doctors, the number of men claiming IB for six months or more continued to rise but at a slower rate, reaching a plateau around 2000 and then beginning a gradual fall from around 2004.

Women show a similar trajectory to men but starting some 10-15 years later and compressed into a shorter time period. The initial increase among women was not recorded until the late 1970s and the period of rapid growth in incapacity numbers did not get underway until the late 1980s and then continued into the early 2000s. The eventual reduction in female incapacity numbers also began a little later, and more slowly, than for men. The most recent lag between trends in the male and female incapacity numbers is no more than a couple of years.

**Figure 2.1: Incapacity claimants (6mths+) of working age, GB, 1963-2008**

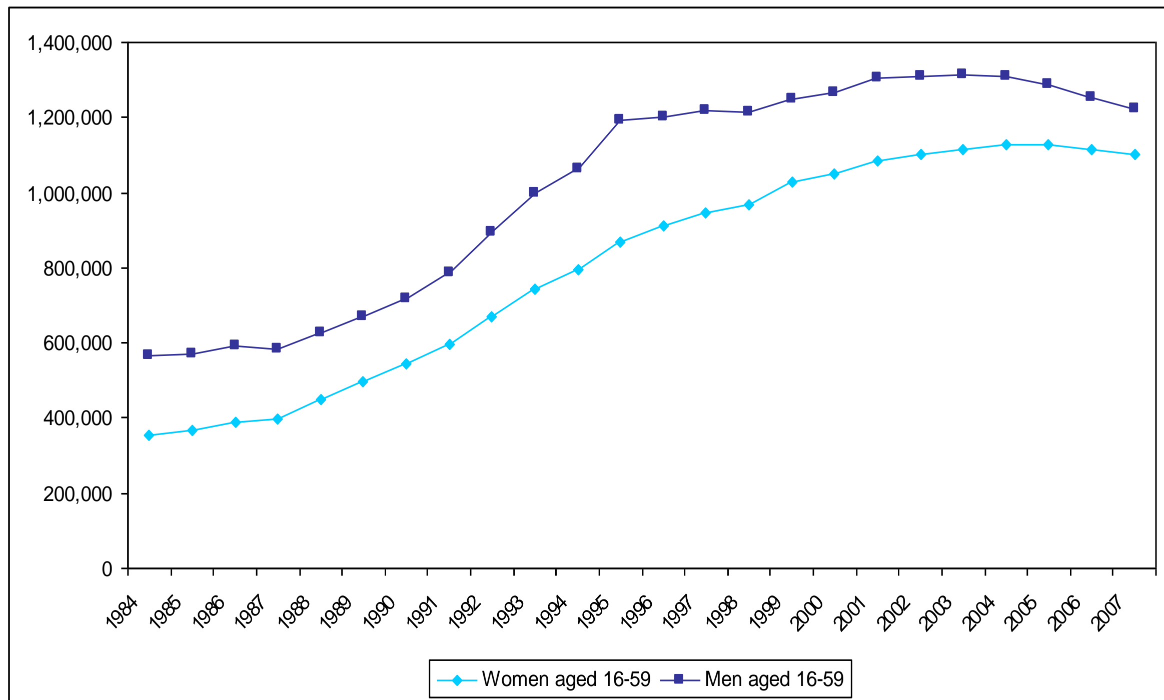



Source: Webster (2004), based on DWP and authors' update

Overall, Figure 2.1 shows that the numbers of women claiming incapacity benefits remain well below the numbers of men, but this owes much to the inclusion of a large group of 60-64 year old men for which there is no comparable group of women. This is because women presently move across onto state pension at age 60 whereas men must wait until they are 65.. Over the period as a whole, the sheer scale of the increase (for men and women together from 0.4m to 2.1m on these figures) is nevertheless the most striking feature.

Figure 2.2 takes a slightly narrower view. This shows the period from 1984 to 2008 and the figures refer only to 16-59 year olds, so there is stricter comparability between the male and female data. The data also includes SDA claimants and claims of less than six months duration.

**Figure 2.2: Incapacity claimants aged 16-59, GB, 1984-2007**



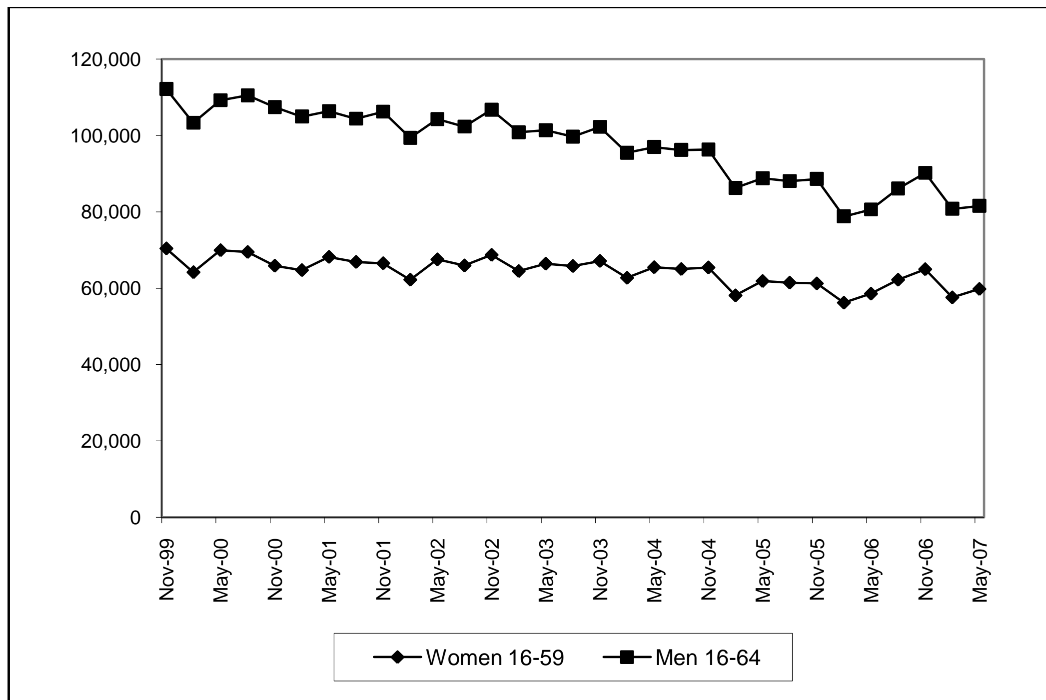

Source: DWP

Once again, the scale of the increase is the dominant feature – for women from around 350,000 in 1984 to just under 1.1m in 2008, or a three-fold increase in less than 25 years. Over this period, and excluding men over 60, the lags between the male and female numbers are less marked though still in evidence. The ratio between 16-59 year old men and women claiming incapacity benefits tilted markedly: from 61:39 in favour of men in 1984 to just 52:48 in 2008.

### Flows on and off benefit

Figures 2.3 and 2.4 show that the recent reduction in the number of men claiming incapacity benefits can be accounted for mainly by a decrease in the number of new claimants (down from over 100,000 per quarter in 2000 to around 80,000 per quarter in 2007) rather than any increase in the quarterly number moving off these benefits, which has stayed fairly stable at around the 100,000 mark.

**Figure 2.3: Quarterly on-flows to IB/SDA, GB, 1999-2007**

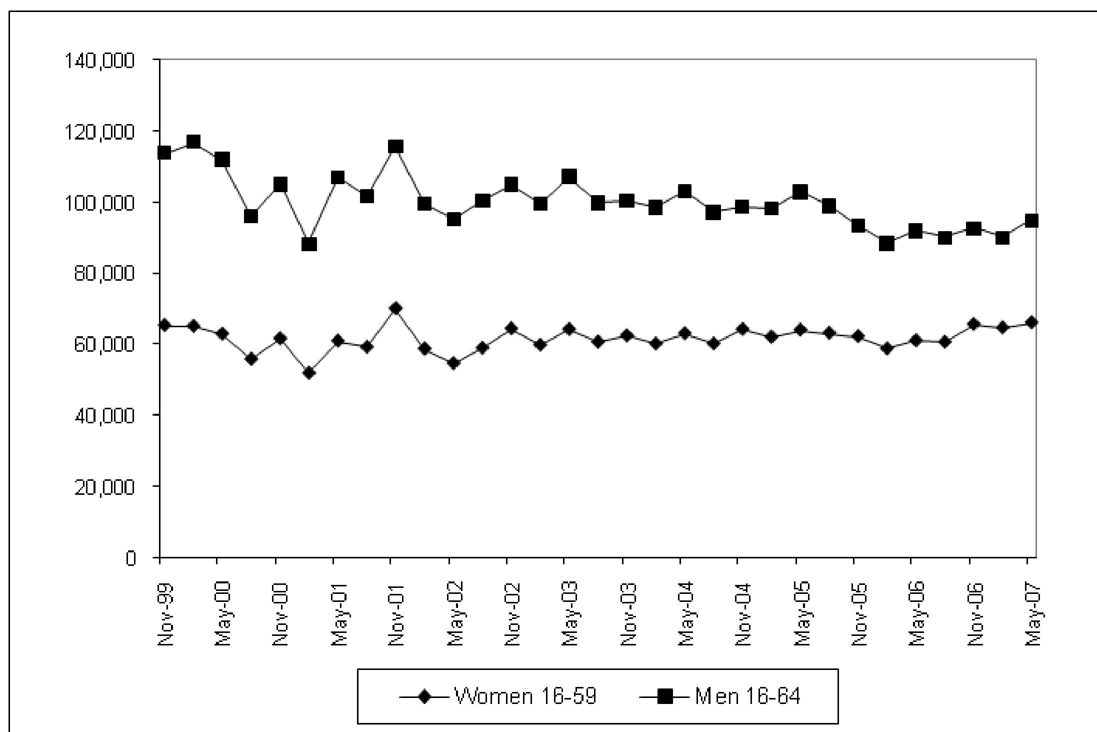



Source: DWP

The on-flow among women has fallen only slightly from 65-70,000 per quarter in 2000 to around 60,000 per quarter in 2007. The off-flow among women has remained stable at around 60,000 per quarter.

Declining on-flows and a relatively stable off-flow are resulting in increasing duration of claims among the incapacity caseload. Table 2.1 shows that the majority of claimants have now been in receipt of benefit for over five years - 55 per cent of women and 57 per cent of men in 2007 - representing substantial increases from just seven years earlier when these proportions were 42 and 44 per cent respectively.

**Figure 2.4: Quarterly off-flows from IB/SDA, GB, 1999-2007**




Source: DWP

**Table 2.1: Duration of IB/SDA claims, GB % of claimants**

| | % of claimants | | | |
|---|---|---|---|---|
| | Women | | Men | |
| | 2000 | 2007 | 2000 | 2007 |
| Up to 3 months | 6.0 | 4.9 | 6.0 | 4.8 |
| 3-6 months | 4.6 | 4.2 | 4.7 | 4.1 |
| 6-12 months | 7.2 | 6.3 | 7.2 | 6.0 |
| 1-2 years | 11.8 | 9.0 | 11.4 | 8.3 |
| 2-5 years | 28.2 | 20.5 | 27.1 | 19.8 |
| 5 years and over | 42.1 | 55.2 | 43.7 | 57.0 |
| All claimants | 100.0 | 100.0 | 100.0 | 100.0 |

Source: DWP

## Age of claimants

Table 2.2 looks at the age of incapacity claimants. The data here refers just to 16-59 year olds in order to facilitate comparison between men and women. The figures cover the 1984-2007 period, for which broadly comparable information is available, but exclude SDA claimants.

**Table 2.2: Age of incapacity claimants**

| | % of all claimants aged 16-59 | | | | | |
|---|---|---|---|---|---|---|
| | Age 16-24 | | Age 25-54 | | Age 55-59 | |
| | Men | Women | Men | Women | Men | Women |
| 1984 | 5.2 | 9.4 | 62.5 | 67.9 | 32.3 | 22.8 |
| 1990 | 3.7 | 7.0 | 64.3 | 70.5 | 32.0 | 22.5 |
| 2000 | 5.0 | 5.6 | 71.3 | 72.8 | 23.8 | 21.5 |
| 2007 | 7.9 | 7.8 | 71.0 | 68.8 | 21.1 | 23.4 |

NB: Figures exclude SDA claimants
Source: DWP

In 1984, the women claiming incapacity benefits were generally somewhat younger than men, even when the large cohort of 60-64 year old male incapacity claimants is taken out of the picture. In 1984, nearly a third of all the men under 60 claiming incapacity benefits were aged 55-59, compared to only just over a fifth of the women. At the same time, a higher proportion of female than male claimants were under 25.

By 2007 this had changed. From 2000 onwards, in this table, there is little discernible difference between the age profile of male and female claimants (at least among the under 60s shown here). Since 2000 the proportion of very young claimants (under 25) has increased, but this is a trend that has affected both men and women. The proportion of 55-59 year olds nevertheless remains high among both men and women – a reflection of the general tendency for incapacity claimant rates to increase with age.

**Illnesses and disabilities**

Table 2.3 shows the illnesses and disabilities affecting incapacity claimants. The data here covers IB and SDA claimants aged 16-59, again to facilitate comparison between men and women, and refers to the medical conditions recorded by DWP as the basis of an individual's IB/SDA claim.

**Table 2.3: Nature of ill health or disability**

| | Women (%) | | Men (%) | |
|---|---|---|---|---|
| | **2000** | **2007** | **2000** | **2007** |
| Mental, behavioural | 35.4 | 43.2 | 34.8 | 45.1 |
| Musculoskeletal | 22.4 | 18.4 | 19.1 | 14.5 |
| Nervous system | 7.0 | 7.2 | 5.4 | 5.6 |
| Circulation, respiratory | 6.9 | 5.2 | 10.0 | 6.6 |
| Injury, poisoning | 4.4 | 4.1 | 7.7 | 7.0 |
| All other | 24.0 | 22.0 | 23.0 | 21.2 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 |

NB: Figures refer to 16-59 year olds
Source: DWP

A single broad category – 'mental and behavioural disorders' - presently accounts for more than 40 per cent of all the women claiming incapacity benefits. This covers stress and depression, drug and alcohol problems and a range of other conditions. This high proportion is however little different to the figure for male incapacity claimants of the same age. Indeed, across the six categories of illness and disability shown here, in 2000 and in 2007 there are only marginal differences between male and female claimants.

The recorded illnesses and disabilities of incapacity claimants have however changed through time. Mental and behavioural problems have become proportionally much more numerous, whilst the proportions with musculoskeletal and circulation/respiratory problems have correspondingly declined.

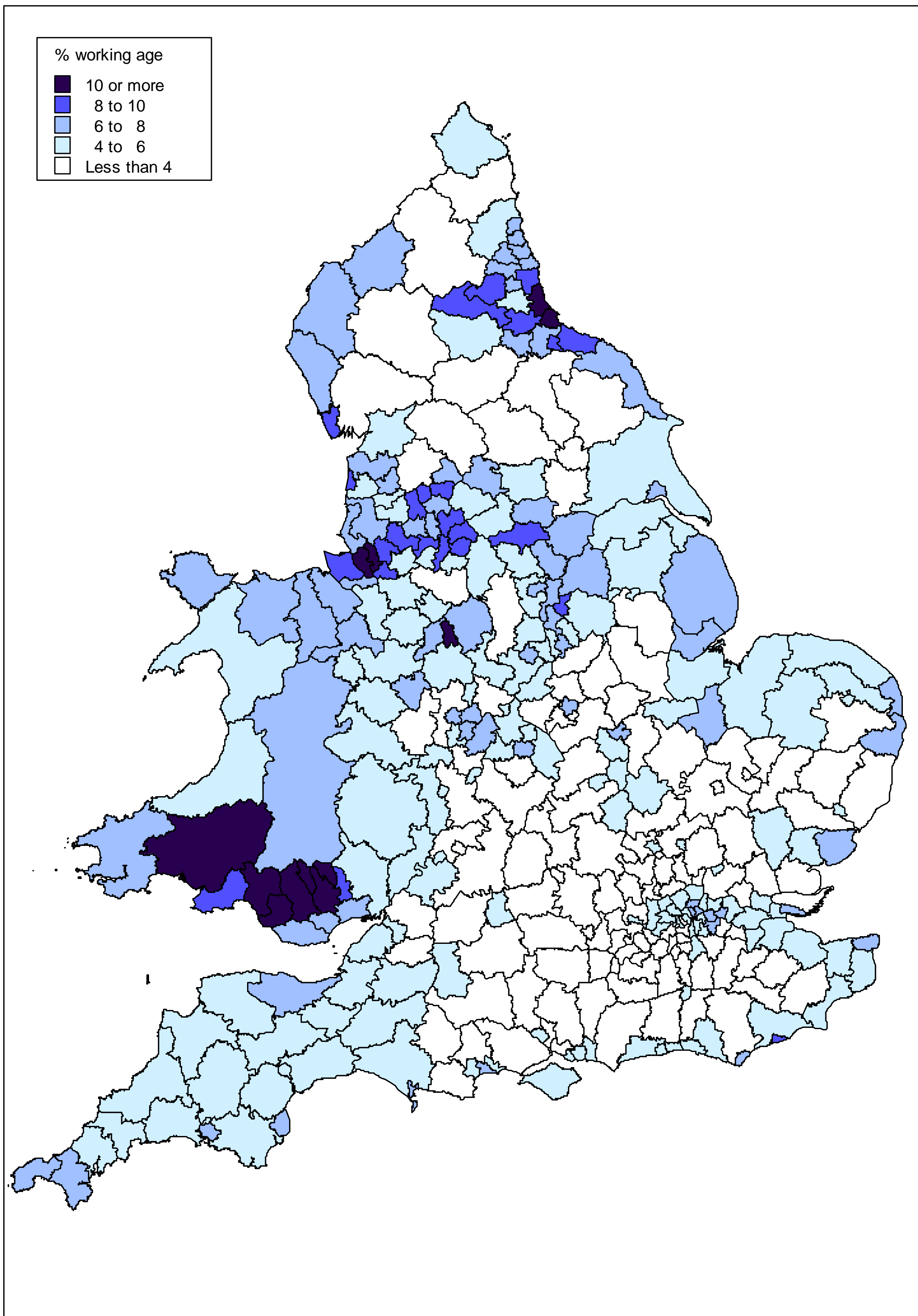
## THE GEOGRAPHY OF IB CLAIMS

Figures 2.5 and 2.6 show the share of working-age women claiming incapacity benefits in each GB local authority district in May 2008. The data here refers to all IB and SDA claimants, including 'NI credits only' claimants. These maps are important because they demonstrate one of the key characteristics of IB claimants: that they are highly unevenly distributed around the country.

In particular, the incapacity claimant rate in much of older industrial Britain – places such as the Welsh Valleys, North East England, Merseyside and Clydeside – is markedly higher than elsewhere. Indeed, in a number of these areas incapacity claimants account for more than one-in-ten of all women aged between 16 and 59. In contrast, there is a substantial swathe of southern England where the incapacity claimant rate among women is consistently below four per cent.

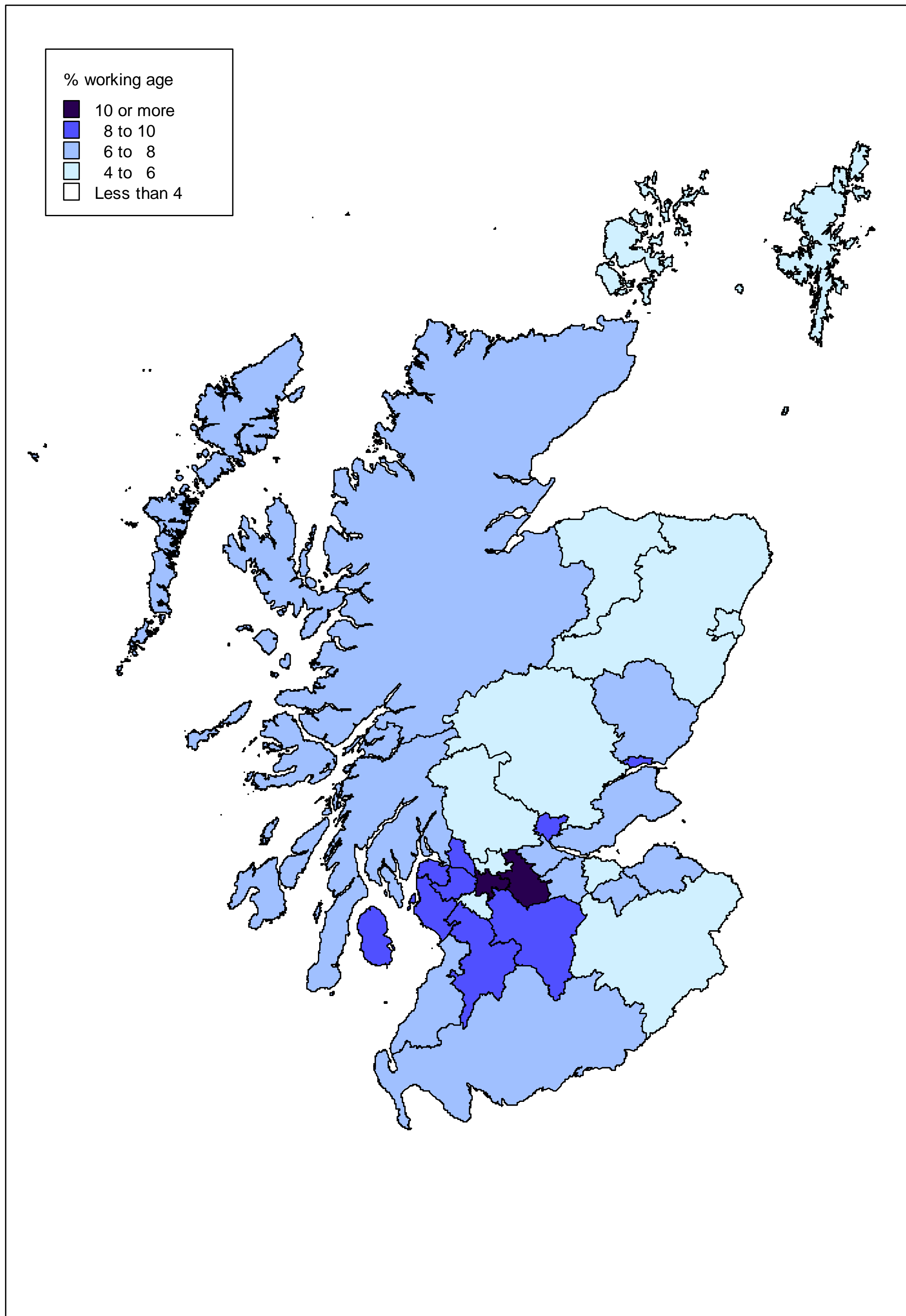
To underline the differences, Table 2.4 lists the districts with the highest and lowest female incapacity claimant rate. Six of the top seven slots in this table are taken by local authorities in the Welsh Valleys – the exception, in second place, is Easington district in County Durham. More generally, the districts with the highest female claimant rate are all older industrial areas with the single exception of Blackpool. The bottom ten districts, in contrast, are all rural and commuter districts in the south of England. Indeed, not a single district south of a line from the Severn estuary to The Wash comes in the top 40 – the highest placed is Hastings, in Sussex, at no. 42. The highest placed London borough is Hackney at no. 78. At the extremes, the incapacity claimant rate among women in Merthyr Tydfil in South Wales is seven times higher than in Hart district in Hampshire.

**Figure 2.5: Female IB/SDA claimant rate by district, England and Wales, May 2008**




Sources: DWP, ONS

**Figure 2.6: Female IB/SDA claimant rate by district, Scotland, May 2008**




Sources: DWP, ONS

**Table 2.4: Female IB/SDA claimant rate: highest and lowest GB districts, May 2008**

| | | % of all women aged 16-59 |
|---|---|---|
| | TOP 20 DISTRICTS | |
| 1 | Merthyr Tydfil | 15.1 |
| 2 | Easington | 14.2 |
| 3 | Neath Port Talbot | 14.1 |
| 4 | Blaenau Gwent | 13.8 |
| 5 | Rhondda, Cynon, Taff | 13.2 |
| 6 | Caerphilly | 12.5 |
| 7 | Bridgend | 11.9 |
| 8 | Glasgow City | 11.6 |
| 9 | Knowsley | 11.5 |
| 10 | Carmarthenshire | 11.3 |
| 11 | Liverpool | 11.2 |
| 12 | Hartlepool | 11.1 |
| 13 | North Lanarkshire | 10.9 |
| 14 | Clackmannanshire | 10.8 |
| 15 | Stoke on Trent | 10.8 |
| 16 | Inverclyde | 10.7 |
| 17 | Sedgefield | 10.6 |
| 18 | Blackpool | 10.5 |
| 19 | Barrow-in-Furness | 10.5 |
| 20 | Burnley | 10.4 |
| | BOTTOM 10 DISTRICTS | |
| 397 | Chiltern | 2.6 |
| 398 | South Northamptonshire | 2.6 |
| 399 | Runnymede | 2.6 |
| 400 | Windsor and Maidenhead | 2.6 |
| 401 | Rutland | 2.6 |
| 402 | Elmbridge | 2.5 |
| 403 | South Oxfordshire | 2.5 |
| 404 | Surrey Heath | 2.5 |
| 405 | Wokingham | 2.1 |
| 406 | Hart | 2.1 |

Sources: DWP and ONS

Underlining these differences, Table 2.5 shows the figures by region. The incapacity claimant rate among women in Wales, the North East and Scotland is more than double the rate in the South East region.

**Table 2.5: Female IB/SDA claimants by region, May 2008**

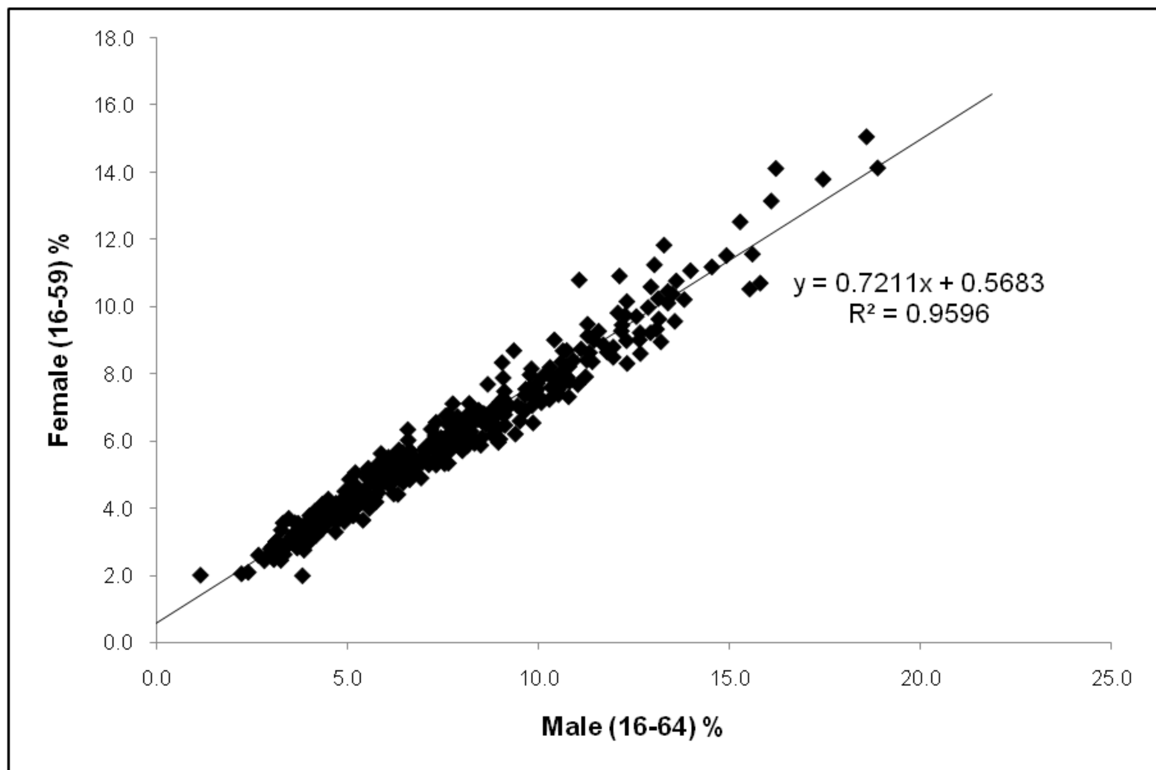
| | Number | % working age |
|---|---|---|
| Wales | 81,090 | 9.4 |
| North East | 63,280 | 8.3 |
| Scotland | 127,380 | 8.1 |
| North West | 163,490 | 8.1 |
| West Midlands | 98,100 | 6.3 |
| Yorkshire and Humber | 94,390 | 6.2 |
| East Midlands | 74,420 | 5.7 |
| South West | 79,180 | 5.4 |
| London | 129,240 | 5.3 |
| Eastern | 76,790 | 4.7 |
| South East | 99,630 | 4.1 |
| GB | 1,086,990 | 6.2 |

Sources: DWP and ONS

The concentration of female IB claimants in the older industrial areas of the North, Scotland and Wales is an important clue to the underlying causes of both the high level and the increase through time in the number of IB claims among women. However, what needs to be noted immediately is that it is job loss among men, rather than women, that principally characterised older industrial Britain over the last thirty years. Industries such as coal, steel, shipbuilding and heavy engineering, which all now employ only a fraction of the numbers a generation ago, overwhelmingly employed men. The textiles and clothing industry is perhaps the only large employer of women to suffer in the same way, but many of this sector's job losses long pre-dated the 1980s and the rise in IB claims among women. This makes it difficult to explain the high female IB claimant rate in older industrial Britain in terms of the direct impact of industrial job loss in the same way that the rise in the number of men claiming IB seems relatively easily explicable in terms of the on-flow of miners, steelworkers and other redundant industrial workers.

The male and female IB claimant rates are however extraordinarily closely linked at the district scale. Figure 2.7 shows the statistical relationship. The very high $R^2$ - 0.96 – demonstrates the strength of the association.

**Figure 2.7: Male and female IB claimant rates by district, GB, May 2008**



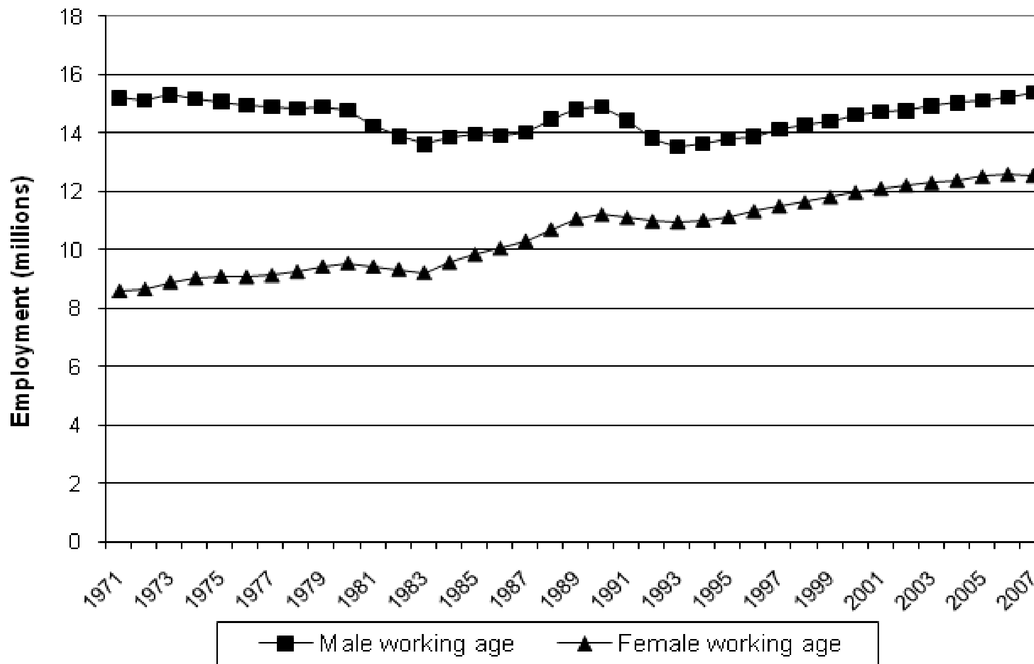

Sources: DWP, ONS

## GENDER, EMPLOYMENT AND ILL HEALTH

### Employment

Figure 2.8 shows employment levels among men and women of working age between 1971 and 2007. Two sharp falls in male employment occurred over this long period, during the recessions of the early 1980s and early 1990s. Female employment was also affected by the recessions, though to a lesser extent than male employment. Thereafter, the British economy saw steady growth in employment among both men and women up until 2007. Over the period as a whole, however, the striking feature is the contrast between men and women: whereas by 2007 male employment had only just re-attained its level at the beginning of the 1970s, there were nearly 4m more women in work at the end of the period than at the start. This very different experience between men and women in terms of employment stands in contrast to the shared increase in IB claimant numbers.

**Figure 2.8: Employment by gender, UK, 1971-2007**



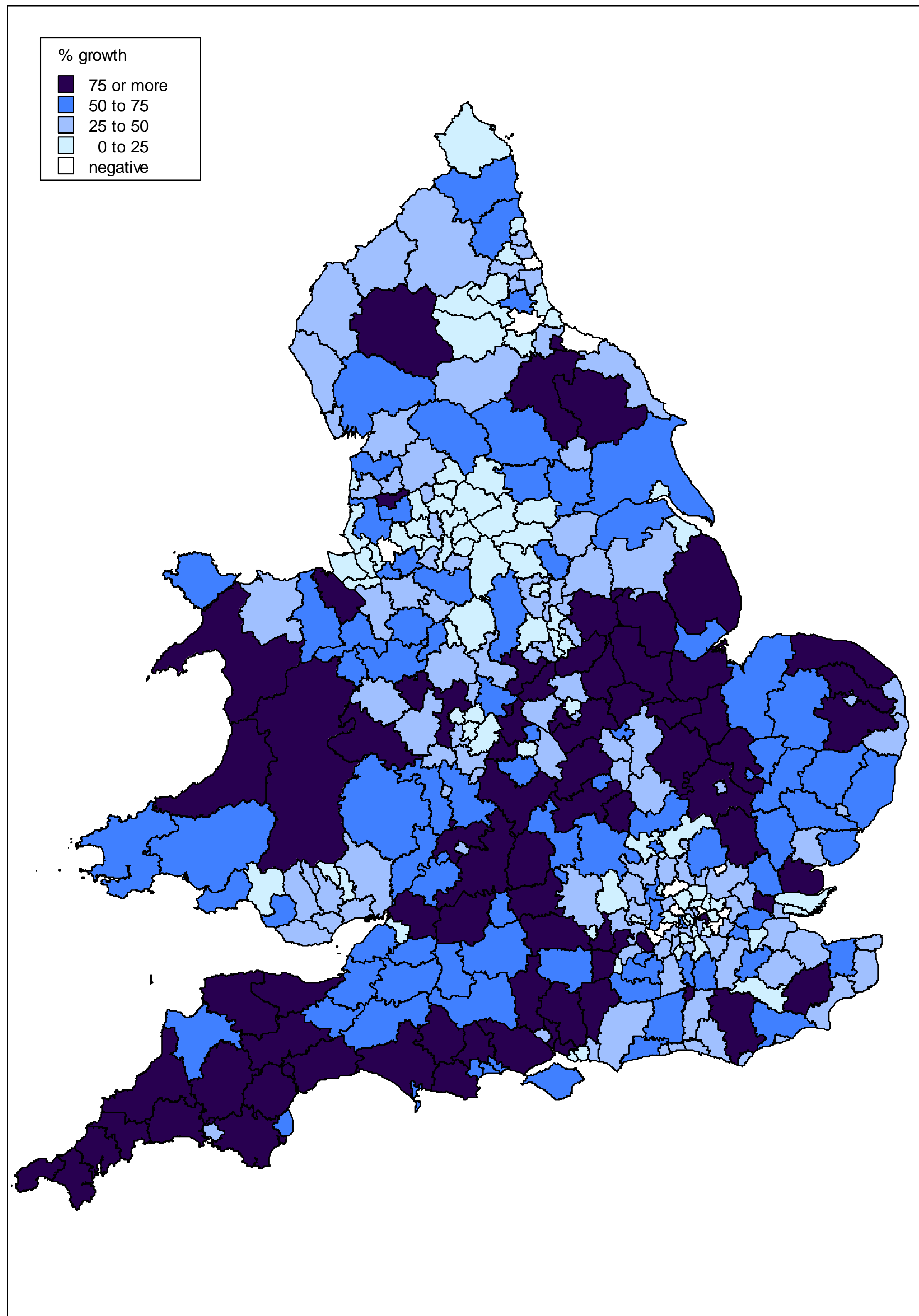

Source: Labour Force Survey

Employment growth among women has not been spread evenly around the country. Figures 2.9 and 2.10 show the percentage increase in female employment in each district between 1981 and 2006. The information presented here is an amalgam of Census of Population and Annual Business Inquiry (ABI) data, with adjustments to place the ABI figures (for 2006) on the same basis as the Census. The data refers to the percentage change in the number of jobs located in each district, not the number female residents in employment.

The maps show that growth in female employment has been widespread, especially in more rural areas across southern England. Virtually the whole of South West England, for example, shows strong growth in female employment. Female employment growth has been slower – and in a few cases negative – in several more urban districts, including London and much of the Manchester, Merseyside and Birmingham conurbations. These areas of slower employment growth among women are often places where large numbers of female jobs were located at the start of the period, and where female activity rates were initially above average.

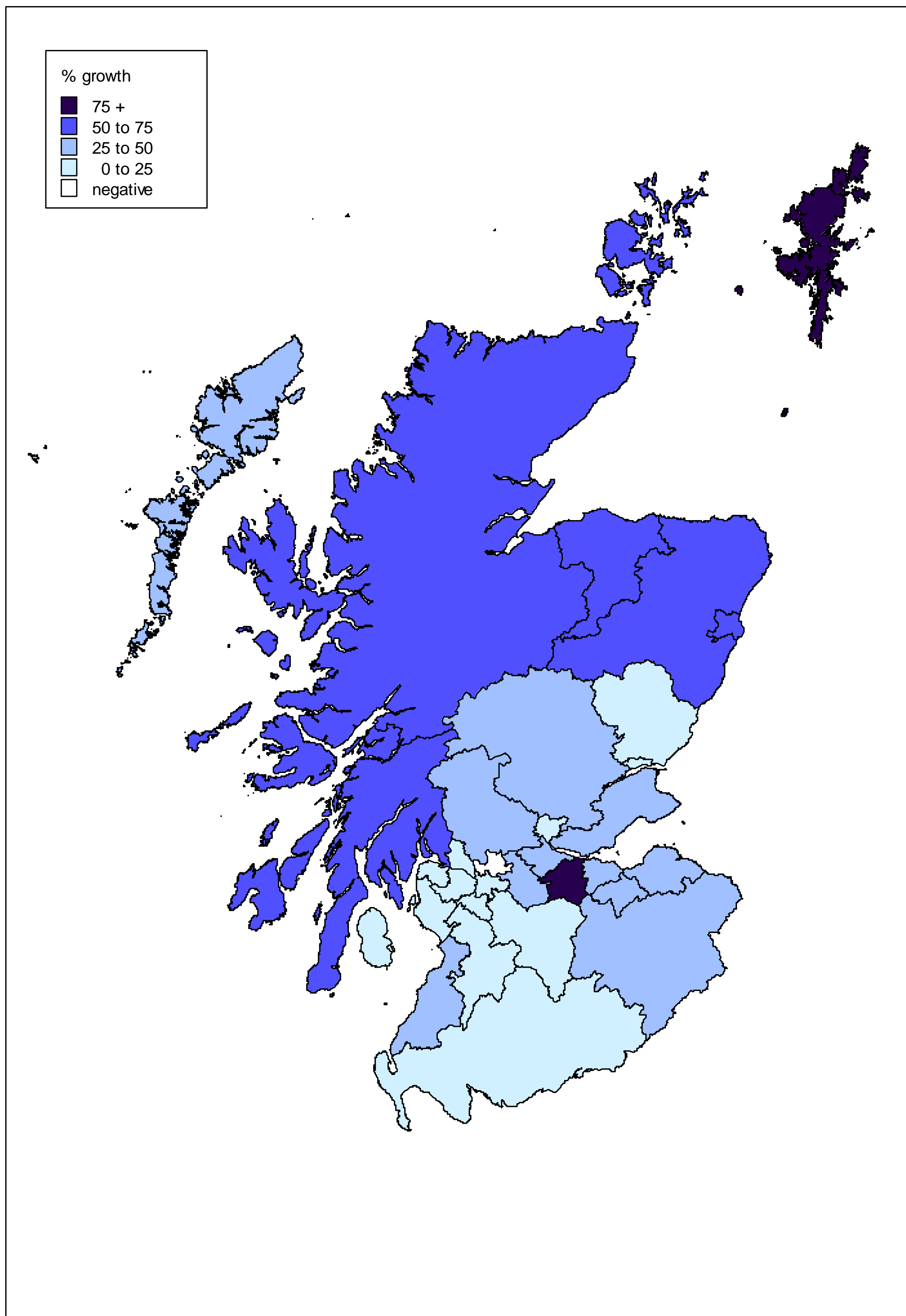
Figure 2.11 shows the employment rate for different age groups during the long period from the depths of recession in 1992 through to the end of the economic boom in 2007. There are some important differences here between men and women, both in employment rates and the scale of change.

**Figure 2.9: Female Employment Change by district, England and Wales, 1981-2006**



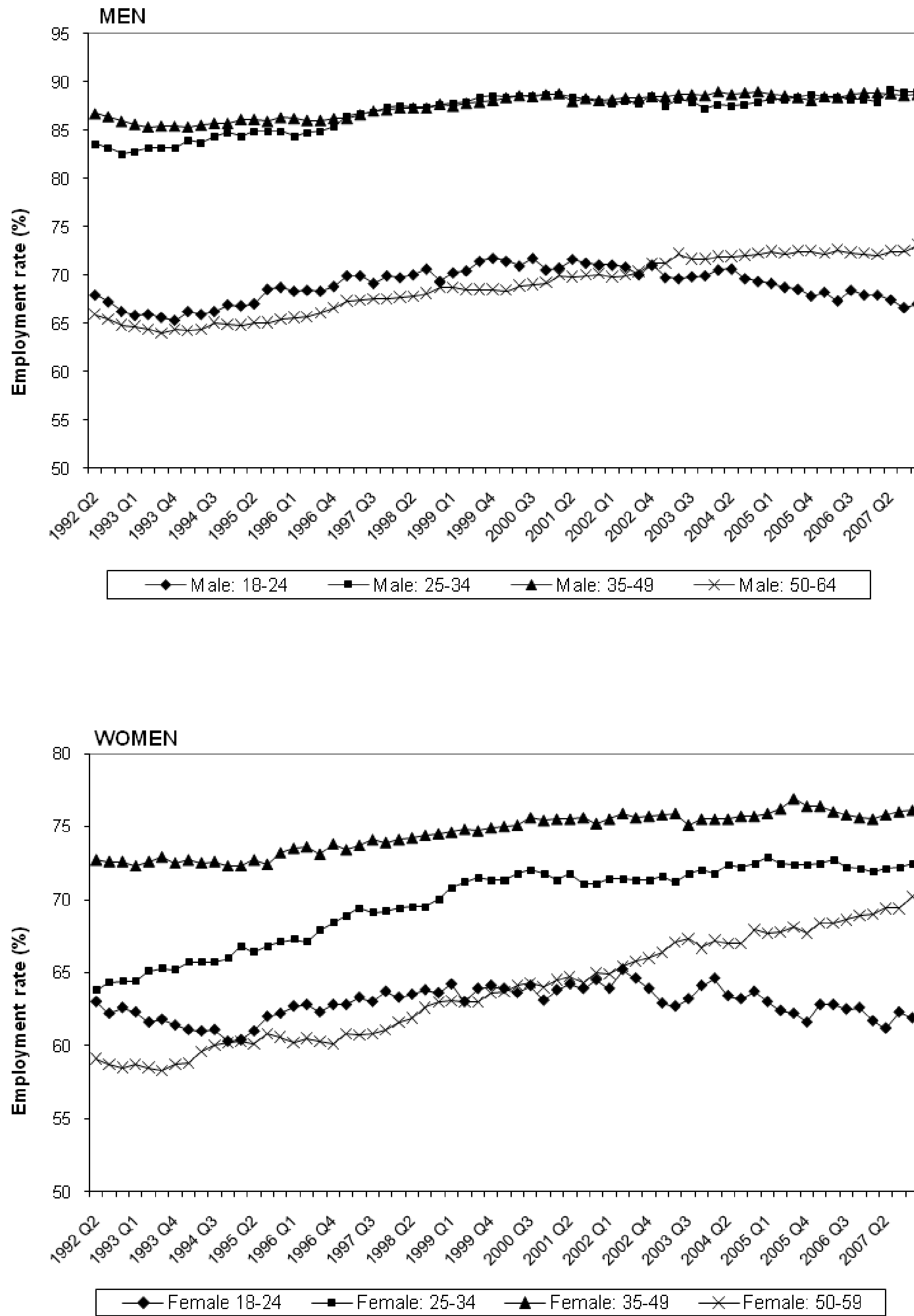

Sources: Census of Population, Annual Business Inquiry

**Figure 2.10: Female employment change by district, Scotland, 1981-2006**




Sources: Census of Population, Annual Business Inquiry

**Figure 2.11: Employment rates by age, UK, 1992-2007-2007**




Source: Labour Force Survey

For men there has been an increase in the employment rate among all cohorts except those aged 18-24, whose broadly stagnant employment rate reflects increasing participation in further and higher education. Over the 1992-2007 period as a whole there was an increase in the employment rate of five percentage points for men aged 25-34 and seven percentage points for men aged 50-64. This growth in the oldest age cohort is especially worth noting because male IB claimants are disproportionately concentrated in this age group. That said, employment rates for men do still decline with age: from nearly 90 per cent for men between 25 and 49 down to less than 75 per cent for men aged 50-64.

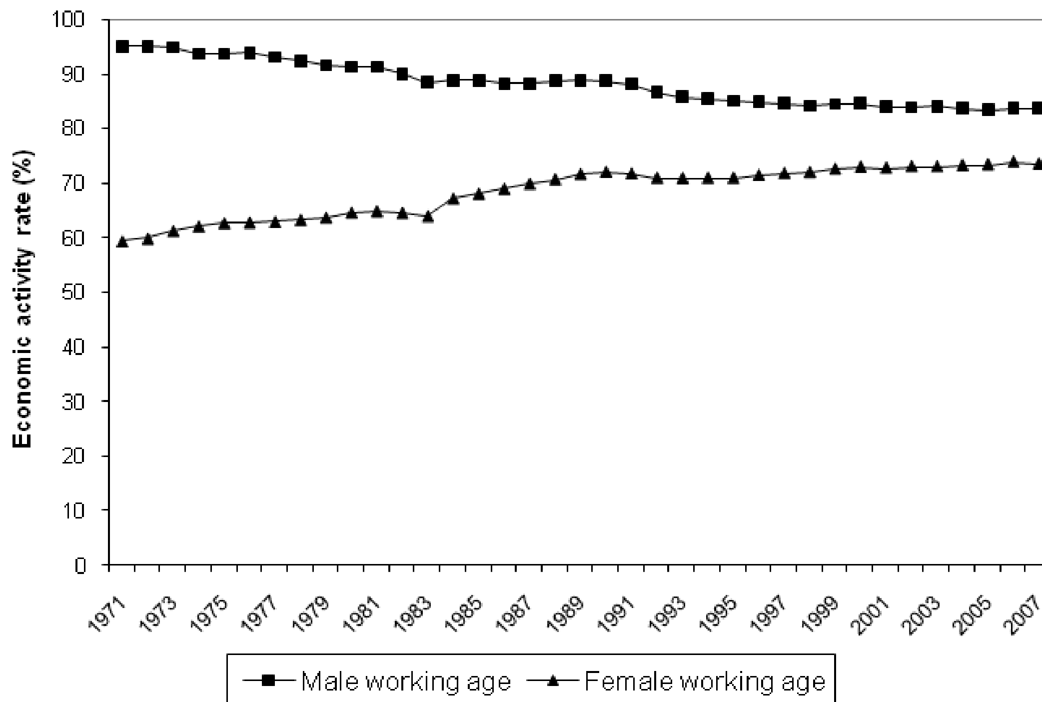
For women, employment rates show the influence of not only age (and thereby the life-cycle and child-rearing) but also changes in social patterns. As for men, the growth in participation in further and higher education has depressed employment rates among 18-24 year old women. Employment rates among women have increased for all other age groups. The increase among 25-34 year olds - around 15 percentage points - is especially marked. This is the group for whom looking after young children is most likely to be a competing claim. The employment rate among women aged 50-59 has also grown by more than 10 percentage points since 1992, closing much of the gap on younger cohorts.

**Labour force participation**

The 'economically active' among the working age population are conventionally defined as the employed plus the unemployed. Men and women on incapacity benefits are counted among the 'inactive' unless (as with a few) they meet the Labour Force Survey criteria for being 'unemployed' by being available for work and actively looking for work.

Figure 2.12 shows the economic activity rates for men and women between 1971 and 2007. There has been a clear trend towards convergence over this period. In early 1970s there was a 35 percentage point difference between the male and female rates; by the mid-2000s this was down to just 10 percentage points. This reflects both increasing female labour market participation, which grew by nearly 15 percentage points, and declining male participation, which fell by more than 10 percentage points.

**Figure 2.12: Economic activity rates by gender, UK, 1971-2007**




Source: Labour Force Survey

One of the consequences of rising labour force participation by women is that whilst in work they acquire the National Insurance contributions that entitle them to claim and receive Incapacity Benefit in their own right. Other things being equal, it might therefore be expected that rising labour force participation would result in an increase in the number of women claiming incapacity benefits.

However, the statistics do not support the view that rising labour force participation by women can account for more than a modest proportion of the overall national increase. The proportion of women of working age who are economically active increased by around a quarter between the early 1970s and mid 2000s. The size of the working age population increased a little, so the absolute increase in the numbers of economically active women was nearer 30 per cent. By comparison, the proportional increase in the number of female incapacity claimants between 1984 and 2007 alone was around 200 per cent. In other words, it seems difficult to account for much more than one-sixth of the national increase in female IB claims – that is, around 125,000 additional claims - in terms of the national increase in female labour force participation.

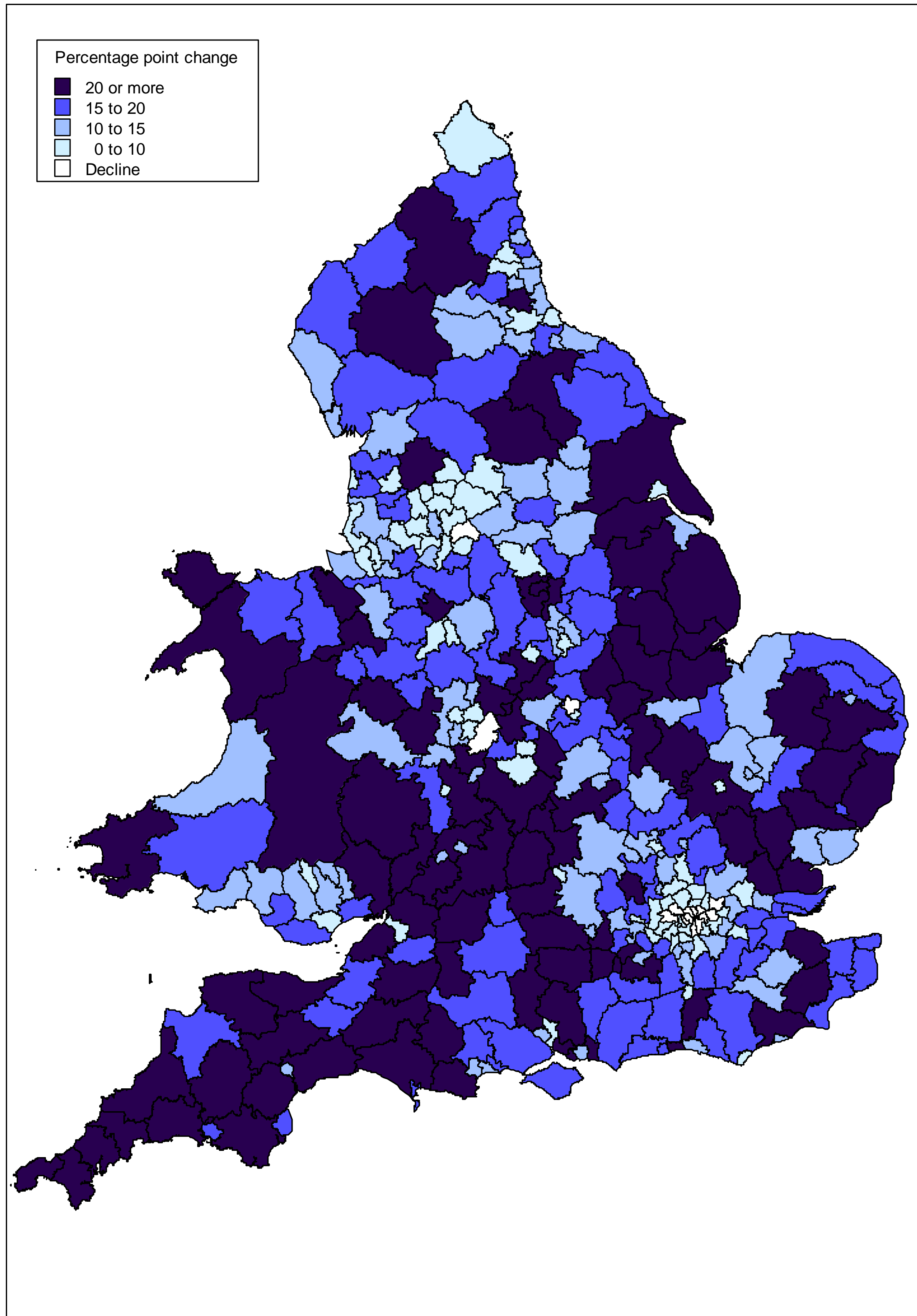
As with employment, the increase in female economic activity rates was not evenly spread across the country, as Figures 2.13 and 2.14 show. These maps combine Census of Population and Labour Force Survey[1] data to monitor change over the long period 1981-2006. They reveal a complex picture. In a substantial number of mainly rural districts, female activity rates have risen by 20 percentage points or more. In a number of mainly urban areas, including most of the London boroughs, female activity rates have risen much more slowly or, in few cases, actually declined. A part of the slow growth (or decline) in urban areas is attributable to rising numbers of economically inactive students, who tend to be heavily concentrated in a number of university towns and cities[2].

The absolute numbers of women who are economically inactive in each age group are shown in Figure 2.15. What needs to be kept in mind here is that the changing numbers will reflect gradual shifts in the age structure of the working age population as well as economic activity rates within each age group. Also, claiming incapacity benefits is only one among several reasons for economic inactivity among women, and IB claimants are disproportionately concentrated among the older age groups.

Between 1992 and 2007 the largest reduction in the number of economically inactive women occurred among 25-34 year olds – a fall of around 400,000. From around 2001, the number of economically inactive 50-59 year olds also fell by around 200,000. Modest increases in inactivity occurred from the late 1990s onwards among 18-24 year olds – presumably a reflection of the expansion of higher education – and among 35-49 year olds.

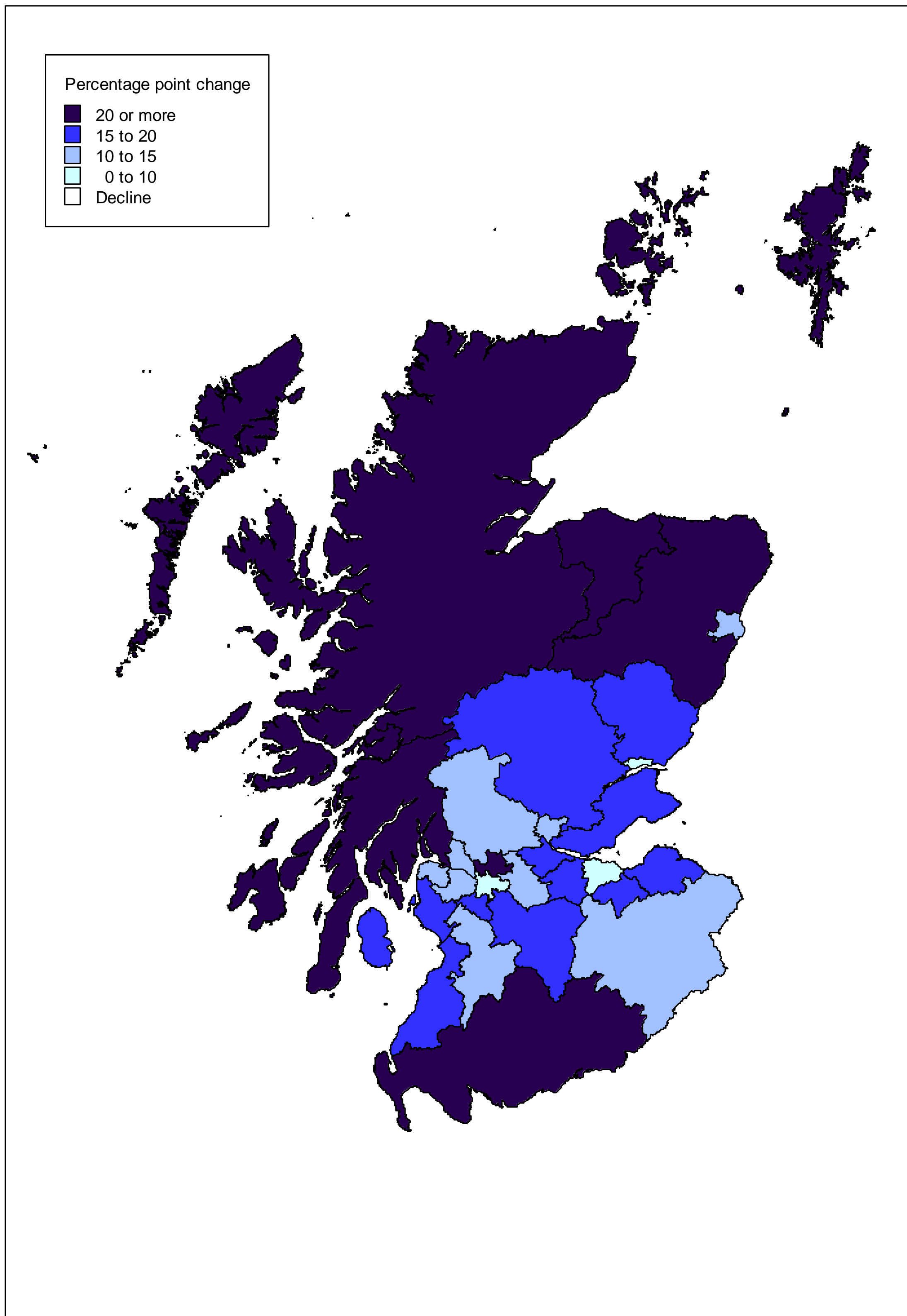
[1] The LFS data for 2006 is the average of data for 2005, 2006 and 2007.
[2] The impact of students on changes in activity rates is exaggerated because in 1981 they were recorded at their home rather than term-time address.

**Figure 2.13: Change in female working age economic activity rate by district, England and Wales, 1981-2006**



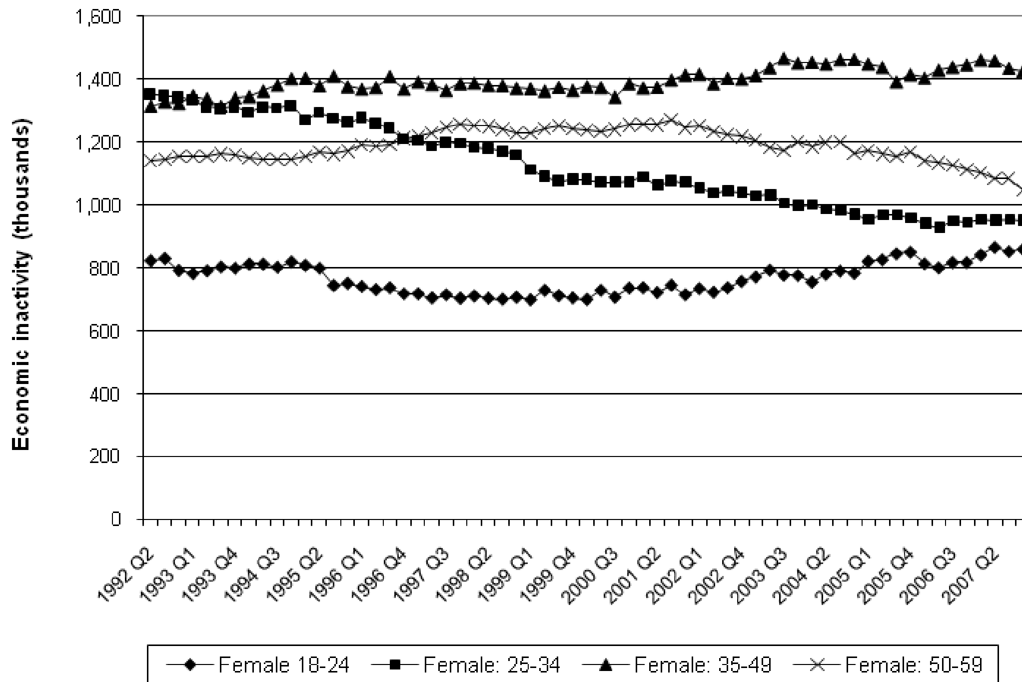

Sources: Census of Population, Labour Force Survey

**Figure 2.14: Change in female working age economic activity rate by district, Scotland, 1981-2006**




Sources: Census of Population, Labour Force Survey

**Figure 2.15: Economic inactivity among women by age, UK, 1992-2007**




Source: Labour Force Survey

## Labour market segmentation

Men and women have traditionally occupied somewhat different of jobs in terms of industry, occupation, status and pay. The segregation by gender is rarely absolute, however, and changes through time.

Overall, gender segregation by industry declined between 1980 and 2007. This is illustrated in Table 2.6, which shows the breakdown of employees into nine main industry groups. In 1980 the Index of Dissimilarity[3] between men and women across industry groups was 0.320, but this fell to 0.277 by 2007. Between 1980 and 2007 a more even gender split developed in most industries, with men becoming better represented in industries with a traditionally high proportion of women and, to a slightly lesser extent, women moving into traditional male industries. For example,

[3] The Index of Dissimilarity (ID) compares the distributions of two groups (in this case men and women) across categories (in this case industries). It can be interpreted as the proportion of one group that would need to move between categories in order to produce an identical distribution to the other group. For example, an ID of 0.423 would mean that 42.3% of one group would need to change category in order to produce the same distribution as the comparator group.

the share of male employees working in distribution, hotels and restaurants increased by four percentage points while the proportion of women in this sector fell by nearly two percentage points. The decline of manufacturing and mining employment also weakened the concentration of male employment in these sectors. The concentration of female employment in education, health and administration did however increase.

**Table 2.6: Gender segregation by industry, GB**

| | Women | | Men | |
|---|---|---|---|---|
| | **1980** | **2007** | **1980** | **2007** |
| Agriculture & fishing | 1.2 | 0.8 | 3.1 | 1.9 |
| Mining, electricity, gas & water | 0.8 | 0.3 | 3.7 | 0.8 |
| Manufacturing | 18.8 | 5.4 | 29.2 | 14.3 |
| Construction | 1.5 | 1.5 | 11.0 | 12.0 |
| Distribution, hotels & restaurants | 26.2 | 24.3 | 16.8 | 20.8 |
| Transport & communication | 2.0 | 3.1 | 9.3 | 8.2 |
| Finance and business services | 11.8 | 20.0 | 10.4 | 21.7 |
| Education, health & public admin | 31.9 | 37.7 | 13.3 | 14.4 |
| Other services | 5.7 | 6.8 | 3.2 | 5.9 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 |

Sources: Census of Employment, Annual Business Inquiry

The correlation coefficient across the nine industry groups between the share of women in 1980 and the percentage point change in the share of men in that industry between 1980 and 2007 is relatively high at 0.448. This lends support to the idea that, at least at the level of broad industry groups, the distinction between 'male' and 'female' jobs is becoming more blurred.

The distribution of occupations by gender is shown in Table 2.7. The figures here are for 1991 and 2008, and the categories in the 1991 Census data have been adjusted to place them on broadly the same basis as the later figures. Occupation tends to be correlated with not only wage rates but also job security and employability, including the likelihood of the need to claim benefits.

**Table 2.7: Gender segregation by occupation, GB**

| | Women | | Men | |
|---|---|---|---|---|
| | **1991** | **2008** | **1991** | **2008** |
| Managers, senior officials | 11.7 | 11.5 | 19.5 | 18.8 |
| Professional | 7.7 | 12.0 | 9.6 | 13.8 |
| Associate professional, technical | 10.5 | 16.0 | 11.4 | 13.5 |
| Admin, secretarial | 28.3 | 19.8 | 6.8 | 4.6 |
| Skilled trades | 3.6 | 1.8 | 23.3 | 18.5 |
| Personal services | 12.5 | 14.9 | 2.7 | 2.4 |
| Sales, customer service | 10.6 | 11.0 | 4.6 | 4.7 |
| Process, plant and machine operatives | 5.2 | 1.9 | 14.5 | 11.6 |
| Elementary occupations | 10.0 | 11.0 | 7.6 | 12.0 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 |

Sources: Census of Population, Annual Population Survey

The occupational structures of men and women differ in important ways. Men are more likely to have a higher managerial or professional background; women conversely are more likely to have a background in lower-grade white-collar jobs. There are major concentrations of women in ‘admin and secretarial occupations’ and in ‘personal services’ that are not matched by similar numbers of men.

Over time, the two greatest occupational concentrations of men and women have both been eroded: substantially fewer women are now employed in ‘administrative and secretarial occupations’, and substantially fewer men are employed in ‘skilled trades’. But the convergence is not universal, with the share of women in ‘personal services’ still rising compared to a smaller and stagnant share of men in this category. Women remain twice as likely to work in ‘sales and customer services’, and men are far more likely to be ‘process, plant and machine operatives’.

Between 1991 and 2008, gender segregation across the nine major occupational groups decreased according to the Index of Dissimilarity (from 0.397 to 0.365). The correlation coefficient between the 1991 share of women in an occupation and the percentage point change in the share of men between 1991 and 2008 is however close to zero.

The evidence therefore suggests that, at least at this level of occupational resolution, integration of the male and female sides of the labour sides of the labour market is occurring but not especially rapidly or consistently. However, the 1991-2008 period for which the data is presented here covers only part of the longer period during which female IB claims have been rising, and the breakdown in occupational divisions between men and women is almost certainly a gradual, incremental process. In addition, at least some of the blurring between the jobs held by men and women is likely to be occurring *within* each broad occupational category, between specifically defined jobs.

### Household structures

Table 2.8 divides women of working age into three categories according to the relationship of their household to the labour market – 'workless households', 'single-earner households' and 'dual-earner households'. The table presents figures for 1986, 1996 and 2006, straddling the main period of growth in female IB numbers.

Between 1986 and 1996 there was evidence of rising polarisation between dual earner and workless households, with the share of working age women living in workless households rising by nearly one percentage point – equivalent to an extra 120,000 women – over this ten year period. Over the same period the proportion of women living in dual earner households grew by just over two percentage points. This trend occurred at the same time as the big rises in the number or women claiming incapacity benefits.

**Table 2.8: Working age women by household type, GB**

| | % working age | | |
|---|---|---|---|
| | **1986** | **1996** | **2006** |
| Workless household | 13.6 | 14.5 | 11.9 |
| Single earner | 29.7 | 26.7 | 27.9 |
| Dual earner | 56.7 | 58.8 | 60.2 |
| All women | 100.0 | 100.0 | 100.0 |

Source: Labour Force Survey

The trend was reversed between 1996 and 2006 as a combination of economic growth and labour market activation policies led to a 2.6 percentage point fall in the share of working age women living in workless households, to a level below that in the mid 1980s. The share of women in dual-earner households also continued to increase in the ten years up to 2006.

The high proportion of working-age women in workless households – still over 10 per cent – will in many instances continue to be a trigger for benefit claims, including claims for incapacity benefits. The large increase in the number of women claiming incapacity benefits since the mid 1980s, however, stands in contrast to the fall over the same period in the proportion of women in workless households.

A variation on the argument that women are more likely to need to claim benefits because they are now more likely to live in workless households – a hypothesis that seems inconsistent with the data – is the idea that women now play a different role in many households. In particular, the traditional gender division between the male 'breadwinner' and female 'homemaker', which was especially prevalent in some industrial communities, is widely thought to have declined. Many women now pursue careers of their own or simply choose to go out to work rather than stay at home. The rising cost of housing, in particular, also places pressure on women living in couples to provide additional household income. The erosion of the male breadwinner model, combined with the increasing incidence of separation and divorce, means more women aim to secure an independent source of income, either through work or benefits.

Lone parents are one specific group whose numbers have increased substantially, from 370,00 in 1981 to over 1.5 million by 2001. Most lone parents are women. This group is perhaps especially likely to draw on incapacity benefits when their eligibility for Income Support expires – assuming, of course, that they have sufficient ill health or disability to allow them to do so.

The evidence from the survey of incapacity claimants in Strand 2 of the research, presented later in the report, confirms this diversion. The survey found that a fifth of all female IB claimants are lone parents, and that 14 per cent of all female IB claimants claimed Income Support immediately prior to their present IB claim. Assuming that the majority of this 14 per cent – say 10-12 per cent – were formerly Income Support claimants as lone parents (a reasonable assumption given the rules

governing Income Support) then around 125,000 of the 1.1m women on incapacity benefits could be regarded as having been diverted from Income Support as a lone parent.

## Demographic trends

Changes to the age profile of women have potential implications for incapacity claims because the incidence of ill health is correlated with age: older women are more likely to be affected by health problems or disabilities, so an ageing population will tend to increase the IB claimant rate.

Table 2.9 looks at the changes in the age structure of the female working-age population between 1981 and 2001. The table clearly shows an increase in the numbers in the middle and older age cohorts, especially from age 35 upwards, while the number of young women (16-24) has declined.

**Table 2.9: Change in the age structure of the female working age population, GB, 1981-2001**

| | Change (no.) |
|---|---|
| Age 16-19 | - 370,000 |
| Age 20-24 | - 230,000 |
| Age 25-29 | +120,000 |
| Age 30-34 | +230,000 |
| Age 35-39 | +590,000 |
| Age 40-44 | +500,000 |
| Age 45-49 | +350,000 |
| Age 50-54 | +430,000 |
| Age 55-59 | +20,000 |
| All women age 16-59 | +1,840,000 |

Source: Census of Population

Other things being equal, it could be expected that this change in age profile would result in more women of working age being too sick or disabled to work. The scale of this potential increase is modest, however. Applying the 1981 incapacity claim rates by age band to the 2006 population age structure in fact explains only just under five per cent (around 35,000 claims) of the overall increase in the number of women claiming incapacity benefits between these years.

### Health and employment

The General Household Survey (GHS) provides a consistent measure through time of 'limiting long-standing illness', defined as a chronic condition that limits daily activities. Although self-reported health information such as this may be subject to non-health influences, including for example whether an individual claims incapacity benefits, 'limiting long-standing illness' in the GHS has the advantage of being available over a long time period. GHS data can therefore be used to calculate the prevalence of limiting long-standing illness among the working age population for both women and men.

Table 2.10 shows the results of these calculations. According to GHS data, the prevalence of illness among women of working age was broadly similar in 1980 and 2000, but increased slightly between 2000 and 2006 to eventually account for 16.7 per cent of women of working age. The proportion of men of working age reporting a limiting long-standing illness was initially a little higher than for women but by 2006 had fallen below the female figure.

**Table 2.10: Limiting long-standing illness among the working age population, GB**

| | 1980 | 2000 | 2006 |
|---|---|---|---|
| Women (%) | 16.1 | 15.9 | 16.7 |
| Men (%) | 17.4 | 17.0 | 15.5 |

Source: General Household Survey

Regarding incapacity benefit claims, there are perhaps three points to note about this GHS data. The first is that it may in practice understate the incidence of mental health problems such as depression, which respondents may not always readily equate with a 'limiting long-standing illness'. In the context of incapacity benefits this is important because mental and behavioural problems account for around 40 per cent of all IB claims. The second point is that limiting long-standing illnesses are actually quite widespread within the working age population. The rates in Table 2.10 suggest that roughly one-in-six adults of working age is affected by a problem of this kind. In effect, this tells us that the potential client group for incapacity benefits is quite large. But the third point to note from the GHS data is that there is little in the way of a strong upward trend through time, which makes it difficult to explain the large increase in incapacity claims (among men or women) in terms of an underlying deterioration in the health of the working age population.

Table 2.11 takes the analysis of GHS data a step further. The first part of the table looks at the employment, unemployment and economic inactivity rates of the men and women who report a limiting long-standing illness. The second part of the table looks at the same rates for men and women without a limiting long-standing illness. All the data here refers to 16-59 year olds in order to facilitate comparability between men and women.

The table shows that between 1980 and 2006 the employment rate among women *with* a limiting long-standing illness *fell* marginally, whereas for women *without* a limiting long-standing illness the employment rate *rose* by more than 10 percentage points. In 2006 the employment rate for women with health problems was nearly 30 percentage points behind the rate for women without such problems.

These statistics provide clear evidence of the labour market disadvantage that women with health problems face. In particular, the figures show that the labour market experience of women with health problems stands in marked contrast to the much more widely recognised increase in employment and labour force participation among women as a whole. The only encouraging data here is that between 2000 and 2006, in the later stages of a long period of economic growth, the employment rate among women with limiting long-standing illnesses did increase.

**Table 2.11: Economic status by limiting long-standing illness (LLSI) of 16-59 year olds, by gender, GB, 1980-2006**

| | Women | | | Men | | |
|---|---|---|---|---|---|---|
| | 1980 | 2000 | 2006 | 1980 | 2000 | 2006 |
| | % | % | % | % | % | % |
| **With a LLSI** | | | | | | |
| Employed | 51.6 | 45.8 | 48.7 | 75.0 | 55.0 | 55.0 |
| Unemployed | 4.1 | 3.7 | 2.9 | 7.3 | 3.9 | 4.9 |
| Inactive | 44.3 | 50.5 | 48.4 | 17.7 | 41.1 | 40.1 |
| **Without a LLSI** | | | | | | |
| Employed | 64.9 | 75.4 | 76.1 | 89.7 | 86.7 | 86.7 |
| Unemployed | 3.6 | 2.9 | 2.2 | 5.7 | 5.0 | 4.3 |
| Inactive | 31.5 | 21.7 | 21.7 | 4.6 | 8.3 | 9.0 |

Source: General Household Survey

Trends among men with a limiting long-standing illness have differed in important respects. Their employment rate fell by 20 percentage points between 1980 and 2006. Correspondingly, their inactivity rate rose by more than 20 percentage points. One result is that by 2006 the difference between men and women, both with and without health problems, had narrowed a great deal. In 2006 women were still more likely than men to be economically inactive, and less likely to be in employment, but the bigger differences were between those with health problems and those without, irrespective of gender.

## UNDERSTANDING THE TRENDS

### Hidden unemployment

The concept of 'hidden unemployment' needs careful explanation.

The notion of a diversion from unemployment benefits to incapacity benefits is rooted in the differences in payment rates and conditionality between the two benefits. The basic rates of Incapacity Benefit are a few pounds higher than the equivalent rates

for Jobseeker's Allowance (JSA), the benefit paid to the claimant unemployed, but the principal difference is in the extent of means testing. For all JSA claimants, benefit payments are means tested after six months, and for many claimants they are means tested from day one. In contrast, Incapacity Benefit is not means tested for the majority of claimants[4] and even means-tested Income Support with a disability premium is worth more than Income Support on its own. In addition, being an IB claimant involves fewer regular requirements: IB claimants don't have to sign on every fortnight, and they don't have to prove that they are looking for work. IB claimants also don't get drawn into compulsory New Deal programmes. The introduction of Employment and Support Allowance to replace Incapacity Benefit, from October 2008 onwards, will only gradually increase the conditionality attached to incapacity claims and even when fully applied will still not require the fortnightly sign-on that is mandatory for JSA claimants.

Thus, for example, a woman with a husband in work and (perhaps) a small pension from a former employer will not generally be entitled to means-tested JSA. In essence, her husband's earnings and her pension reduce or eliminate her JSA entitlement. But if she has sufficient NI credits to be entitled to Incapacity Benefit (which many women with a work history will have) she will receive a weekly sum irrespective of her husband's earnings or in most circumstances of her pension as well.

Of course, not all the unemployed can simply opt to claim incapacity benefits. They have to demonstrate a requisite degree of ill health or disability. In theory, to qualify for incapacity benefits a person must be unfit for work. In practice, the tests applied by Jobcentre Plus assess ability to undertake certain basic physical tasks rather than an inability to do all kinds of work in all circumstances. Many people have picked up injuries over the course of their working life, and there is the effect on health and capability of simply getting older. On top of this, mental health problems such as stress, depression and drug and alcohol abuse are quite widespread. In practice, therefore, many of the unemployed with health problems or disabilities are able to claim IB rather than JSA.

The point here is that the very large numbers claiming incapacity benefits are likely to hide unemployment. That does not mean that a substantial proportion of incapacity

[4] The exception concerns a small number of post-2001 claimants with significant pension income.

claims are somehow fraudulent. Indeed, the fact that all longer-term IB claims (and most IB claims are long-term) have to be approved by doctors working on behalf of DWP suggests that outright fraud is unlikely. Likewise, to be 'hidden unemployed' on incapacity benefits does not imply that the claimant is actively looking for work. In fact, because IB claimants are not required to look for work (unlike JSA claimants), and because the job opportunities for them may be limited, the vast majority of IB claimants do not actively seek work.

The sense in which the label 'hidden unemployed' can be applied to a proportion of IB claimants is that they *could reasonably be expected to have been in work in a genuinely fully employed economy*. Not all ill health or disability is an absolute bar to employment, and the parts of Britain where the economy has been strong for many years provides powerful evidence that where jobs are plentiful it is possible to achieve very low IB claimant rates.

The theory and evidence behind hidden unemployment among IB claimants is set out at length elsewhere, in particular in Beatty, Fothergill and Macmillan (2000) and Beatty and Fothergill (2005). The latter publication also sets out a practical method for estimating the scale of hidden unemployment among IB claimants. This involves creating a 'benchmark' IB claimant rate for each GB district that reflects:

- The proportion of men and women presently claiming incapacity benefits in fully employed parts of south east England. This is intended to reflect what has already been shown to be achievable in parts of Britain where the demand for labour is very strong[5].

- The underlying deviation in rates of incapacitating ill health between each district and the level in this fully employed part of south east England. This uses historic figures, before the data became contaminated by the diversion from unemployment[6].

[5] The average IB claimant rate in seven counties in southern England is used here – Berkshire, Buckinghamshire, Hampshire (minus Portsmouth and Southampton), Hertfordshire, Oxfordshire, Surrey and West Sussex.
[6] Calculated as the percentage point deviation in the rate of permanent sickness in each district in 1981 (from the Census of Population) from the average rate of permanent sickness in these seven counties in 1981.

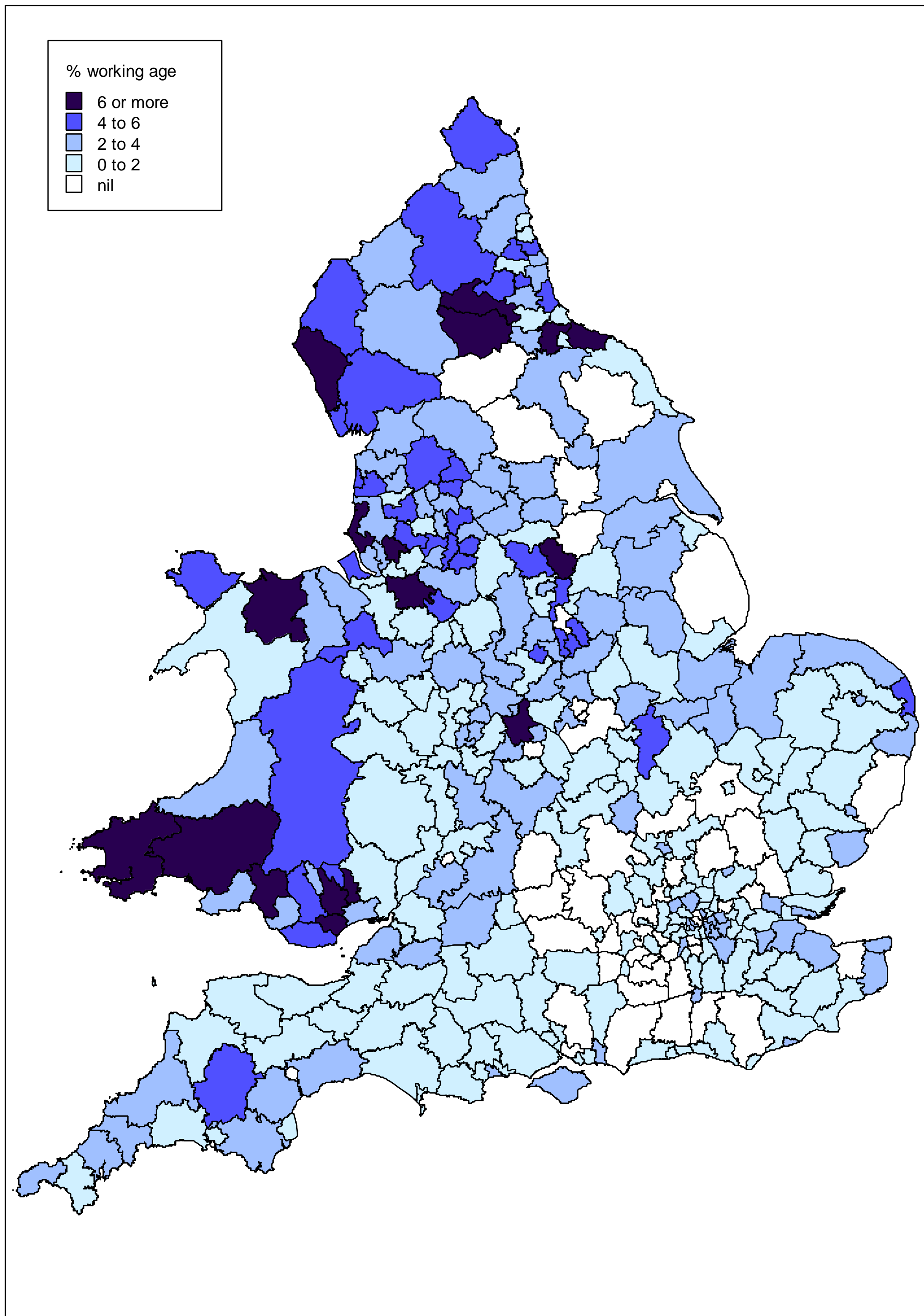
The sum of these components generates a benchmark figure for each district that represents the 'full employment IB claimant rate'. Excesses over this benchmark are deemed to be a form of hidden unemployment.

The results of applying this method to benefits data for Great Britain in May 2008 suggests that of the 1,087,000 female IB/SDA claimants of working age, 430,000 might be regarded as 'hidden unemployed'. In other words, about 40 per cent would probably have been in work in a genuinely fully employed economy, whilst the other 60 per cent would have remained on incapacity benefits. The equivalent figures for men are 1,500,000 claimants (including the 60-64 year olds) of whom 510,000 (34 per cent) might be regarded as hidden unemployed.

It must be stressed that these are estimates and, as such, are subject to a margin of error. Cross-checking the previous results arising from this method with estimates based on alternative assumptions does however give confidence to the estimates (see Beatty and Fothergill 2005). Furthermore, the estimates of the scale of hidden unemployment are based on the incapacity benefit regime operating at the time (in this case in May 2008). A different benefits regime might be expected to result in different numbers on incapacity benefits in the context of full employment, and there were major reforms to incapacity benefits in the autumn of 2008. Since the net effect of those reforms was to introduce more stringent eligibility criteria and to impose greater conditionality, it might be expected that in future the 'full employment' level of IB claims will be lower than indicated by the figures presented here.

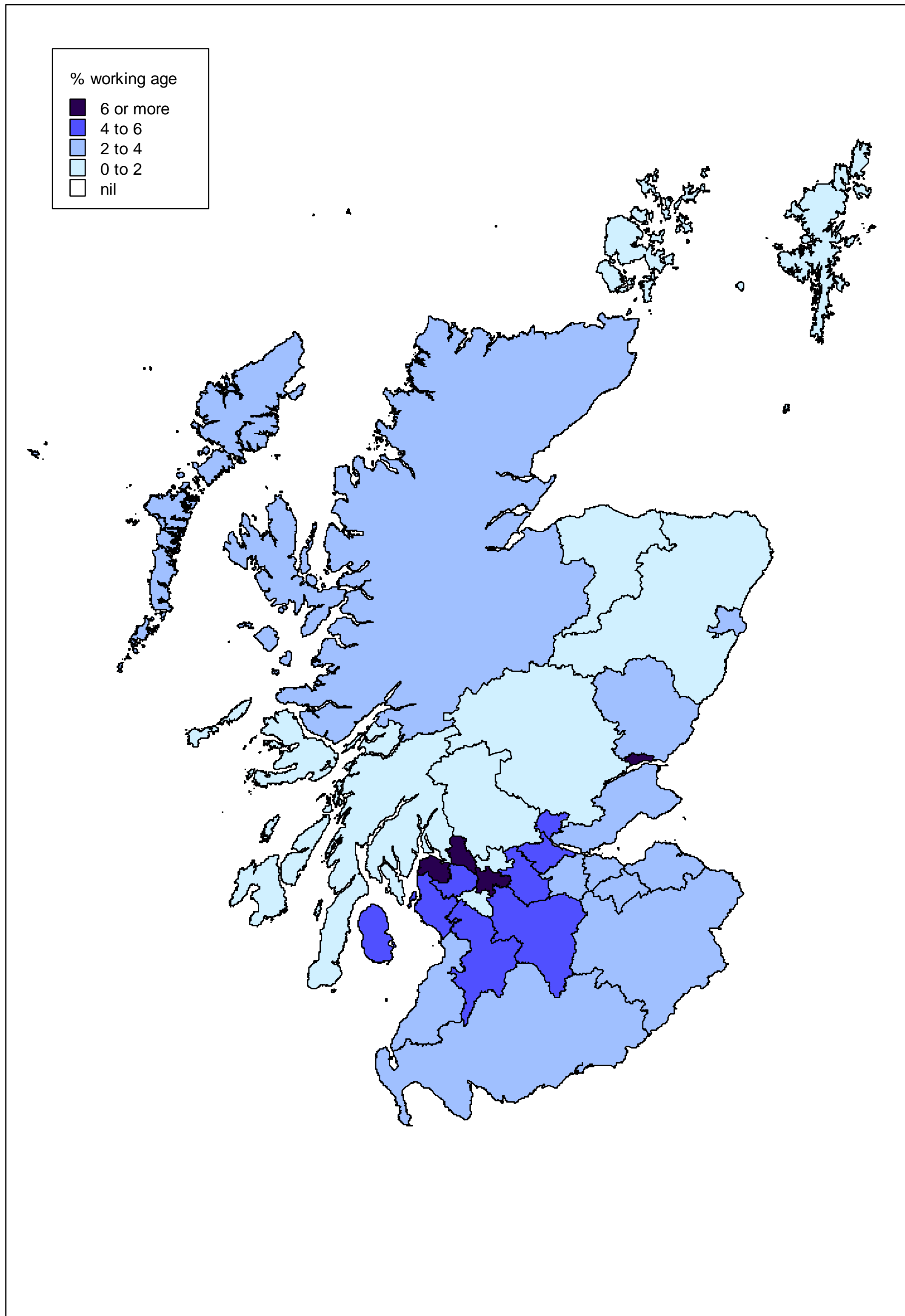
Figures 2.16 and 2.17 show the estimated scale of hidden unemployment among women claiming IB/SDA in each GB district. Across a number of districts, mainly in more rural parts of southern England, there is estimated to be little or no hidden unemployment of this kind. This is a reflection of the assumption, effectively built-in to the estimation method, that in these areas the labour market is sufficiently strong to allow anyone who would like to work and is capable of work to find a job. In contrast, in a substantial number of districts, mainly in the older industrial areas of the North, Scotland and Wales, the estimated hidden unemployment rate is much higher – typically 5-10 per cent of all 16-59 year old women. Easington district in County Durham has the highest estimated hidden unemployment rate among women – 10.1 per cent of all women of working age.

**Figure 2.16: Estimated hidden unemployment among female IB/SDA claimants by district, England and Wales, May 2008**




Source: Authors' estimates

**Figure 2.17: Estimated hidden unemployment among female IB/SDA claimants by district, Scotland, May 2008**




Source: Authors' estimates

As a general rule, the higher the IB claimant rate among women (see Figures 2.5 and 2.6 earlier) the higher the estimated rate of hidden unemployment.

Underlining these differences, Table 2.12 shows the estimated hidden unemployment among women claiming IB/SDA in each GB region. The hidden unemployment rate in Wales, at one extreme, is estimated to be six times higher than in the South East, at the other extreme. Likewise, whereas around half of the women claiming IB/SDA in the North East, North West, Scotland and Wales are estimated to be hidden unemployed, in the South East the proportion is less than one-in-five.

**Table 2.12: Estimated hidden unemployment among female IB/SDA claimants by region, May 2008**

| | Hidden unemployed | | Hidden unemployed |
|---|---|---|---|
| | Number | % of working age | as % of all IB/SDA |
| Wales | 41,000 | 4.8 | 52 |
| North East | 33,000 | 4.3 | 52 |
| North West | 80,000 | 4.0 | 49 |
| Scotland | 63,000 | 4.0 | 49 |
| West Midlands | 42,000 | 2.7 | 43 |
| Yorkshire and Humber | 37,000 | 2.4 | 39 |
| East Midlands | 30,000 | 2.3 | 40 |
| London | 40,000 | 1.6 | 31 |
| South West | 24,000 | 1.6 | 30 |
| Eastern | 23,000 | 1.4 | 29 |
| South East | 19,000 | 0.8 | 19 |
| GB | 430,000 | 2.4 | 40 |

Source: Authors' estimates

**Regression analysis**

The increase in the number of women claiming incapacity benefits has been a long-term process, extending back over the best part of three decades, which is therefore best understood against the background of economic change over an equally long period. Analysing the change in IB claimant rates at the district scale over such a long period is especially difficult because of discontinuities in boundaries, data sources and definitions. As part of the present research, a major dataset has been assembled providing figures for each post-1996 district[7] for 1981, 1991, 2001 and 2006/8. The dataset draws on a number of sources including benefits data, the Census of Population, the Labour Force Survey and the Annual Business Inquiry, and provides data disaggregated by gender that is broadly comparable though time on:

- Employment in each district
- Claimant unemployment
- Incapacity claimants
- Working age population
- Economic activity rates
- Employment rates

The regression analysis presented here draws on this unique and specially constructed dataset.

In the present context, the difference between *static* and *dynamic* analyses of cross-sectional data – in this case female IB claimant rates by district – is especially relevant. In a *static* analysis of the pattern of female IB claims by district at a particular point in time (eg 2008) it is actually not difficult to achieve a high correlation with other static variables. For example Figure 2.7, earlier, identified an exceptionally high correlation between male and female IB claimant rates, but this offers little insight into the actual processes of causation. Likewise, female IB claimant rates at the district scale are highly correlated with, for example, the share of working age women with no formal qualifications. This is more insightful because women (and men) with no formal qualifications are especially likely to claim incapacity benefits but

[7] There were major reforms in district boundaries in Scotland and Wales in 1996, and more limited reforms in parts of England.

it also begins to confuse cause and effect: if an area has a weak economy it can, other things being equal, expect to lose better qualified men and women through out-migration and also have higher numbers on benefits.

The regression approach adopted here is *dynamic* in that it sets out to explain *change* in the female IB claimant rate at the district scale in terms of the *change* in other economic variables. Since there can be a plethora of influences on change at the local scale, some specific to individual districts, this results in lower correlations but, conversely, in greater potential insights into the process of causation,

There are potentially at least four major labour market influences on the change in the female incapacity claimant rate at the district scale:

- **The demand for female labour** (for example the change in female employment in the district)

- **The supply of female labour** (for example arising from change in the female economic activity rate in the district)

- **Competition for jobs from men** (for example arising from male job loss and unemployment in the district)

- **The strength of the economy in surrounding districts** (for example employment change in the wider sub-regional economy)

The last of these is important because in labour market terms many districts are highly interconnected, particularly through commuting flows, with surrounding districts.

The regression model tested here explores the strength of association between each of these four factors and the change in the female IB/SDA claimant rate in each GB district between 1981 and 2008[8]. Four points of detail need to be noted. First, 1981 was a year of recession and high claimant unemployment – and the unemployment was very unevenly spread across the country - so the job growth figures in each

[8] Milton Keynes and the Shetland Islands are extreme observations in terms of employment change and are excluded from this analysis. The Isles of Scilly and City of London are also excluded because of their very small resident population.

district and sub-region need to be adjusted. In practice, both the pre-existing stock of male unemployment and the subsequent male job loss represent potential competition for jobs. Second, the impact of male job loss on female incapacity claimant rates can be expected to operate with a lag, so the regression model uses the change in male employment between 1981 and 2001 rather than change over the whole period. Third, there is a purely arithmetic relationship between change in the female economic activity rate and change in the female incapacity claimant rate[9] so the economic activity rate at the start of the period is used as a measure of the *potential increase* in female labour supply. Fourth, 'sub-regions' are defined here as NUTS 3 units[10], with the exception that NUTS 3 units forming part of the same built-up urban area (eg in London) are grouped together as one[11].

**Table 2.13: Preferred regression model of change in female IB/SDA claimant rates by district, 1981-2008**

$$\Delta \text{IB RATE} = \underset{(0.000)}{10.376} - \underset{(0.000)}{0.098}\ \text{FAR81} - \underset{(0.000)}{0.054}\ \text{MJOB} - \underset{(0.000)}{0.042}\ \text{AREA}$$

$R^2 = 0.51$

where: $\Delta$IB RATE = Percentage point change in female IB claimant rate in district, 1981-08

FAR81 = Female economic activity rate in district 1981 (%)

MJOB = % change in male employment in district 1981-2001 less male unemployment 1981

AREA = % change in total employment in sub-region 1981-2006 less claimant unemployment 1981

Initial tests of this model reveal that change in female employment in the district is not a statistically significant variable. The preferred model, in Table 2.13, therefore includes just three independent variables.

[9] Incapacity claimants are one of the largest groups among the economically inactive.
[10] NUTS 3 units are part of a standard EU-wide classification of areas and in the UK mostly comprise either groups of adjacent districts or individual unitary authorities. NUTS 4 units are local authority districts.
[11] This results in 107 sub-regions, compared to just over 400 districts.

The model is worth describing at length. The first point to note is that all three independent variables - female labour supply, competition from men, and the strength of the wider sub-regional economy – are statistically significant explanatory variables at more than the 1 per cent level.

The negative sign on the coefficient for the **female activity rate in 1981** means that the *lower* initial level of the female activity rate in a district, the *greater* the subsequent increase in the female incapacity claimant rate in that district. In other words, a greater potential for additional female labour supply appears to have driven up female incapacity claimant numbers. In the context of rising labour force participation among women it is entirely plausible that, for any given increase in jobs, a greater increase in female labour supply will result in more women being displaced onto incapacity benefits. The magnitude of the coefficient in the model suggests that for every ten percentage points lower the female economic activity rate in a district in 1981, the increase in the female incapacity claimant rate in the district between 1981 and 2008 was roughly one percentage point higher.

The variable measuring **potential competition from men** combines male job growth and pre-existing male unemployment: The *larger* the male job growth (after deducting unemployment) the *smaller* the increase in the female IB claimant rate that might be expected as a result of competition from men. The negative sign on this variable therefore fits expectations. It indicates, in effect, that as male job loss increases the female incapacity claimant rate also increases. In other words, competition from men appears to be displacing women onto incapacity benefits.

The magnitude of the coefficient on this variable suggests that for every 20 per cent loss in male employment, the female incapacity claimant rate in the district increases by just over one percentage point. At first sight this interaction does not appear large, but at the district scale the divergences in male labour market trends are considerable: in the worst 10 per cent of districts male job *loss* (plus pre-existing unemployment) averaged 40 per cent, whereas in the best 10 per cent of districts male job *growth* (less pre-existing unemployment) averaged 30 per cent. According to the regression model, the difference between these deciles accounts for a 3.5 percentage point difference in the increase in the female incapacity claimant rate.

Likewise, the negative sign on the coefficient on the variable measuring the **strength of the sub-regional labour market** means that the *weaker* the demand for labour in

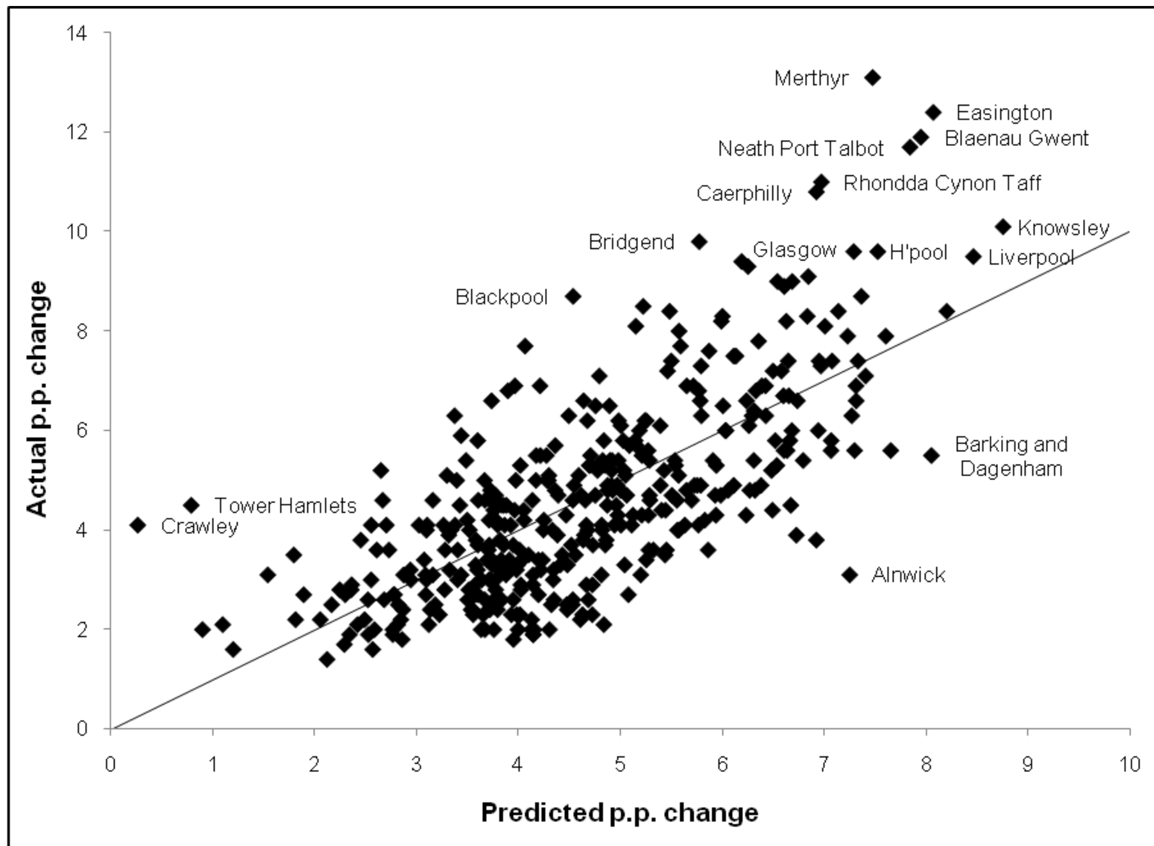
the wider local labour market, the *greater* the increase in the female incapacity claimant rate. Since the labour markets in individual districts do not operate in isolation from one another this is entirely plausible. The magnitude of the coefficient suggests that for every 10 per cent total job loss in the sub-region (plus pre-existing unemployment), the female incapacity claimant rate in a district increases by just over 0.4 percentage points.

Overall, the regression model 'explains' just over half the variance in the increase in the female IB/SDA claimant rate at the district scale. That the remaining half remains unexplained by the model is unsurprising. At this geographical scale there is always likely to be an immense range of influences on local labour market trends, some of which are specific to individual districts or groups of districts. In particular, districts are linked together through complex patterns of commuting and residential segregation, which themselves change through time, and as a result local trends always partly reflect local factors. Thus the difference in the incapacity claimant rate between, say, Hackney and Richmond upon Thames is better explained by residential segregation within the wider London labour market rather than by purely local labour market factors. In general, within any given labour market, which may extend over several districts, the local areas with the greatest concentrations of the men and women most vulnerable to worklessness (because of low skills or poor health for example) will always tend to have the highest benefit claimant rates.

Figure 2.18 plots the actual change in the female IB/SDA claimant rate between 1981 and 2008 against the change predicted by the regression model. The change in claimant rates is poorly predicted for two groups of districts. The first is a group covering the Welsh Valleys, where incapacity claimant rates among women (and men) are exceptionally high. The regression model predicts that increase in the rate in the Welsh Valleys should be very large, but not as large as has actually been the case. The second group, less easily discerned on Figure 5.3, comprises the London boroughs. 25 of the 31 London boroughs have an actual increase in the female incapacity claimant rate *below* the predicted increase[12].

[12] Tower Hamlets is a notable exception. This includes the huge growth in employment at Canary Wharf within its boundaries, which within the model generates a very low predicted growth in incapacity claims, but the impact of the job growth at Canary Wharf has of course been felt much more widely across London and the South East.

**Figure 2.18: Actual and predicted percentage point change in female IB/SDA claimant rates by district, 1981-2008**




Sources: DWP, ONS, Census of Population and authors' estimates

The contrast between the Welsh Valleys and the London boroughs has previously been evident in a range of benefit data. It reflects rather unusual balances between the numbers of incapacity claimants and the number of unemployed claimants. In the Welsh Valleys the ratio in 2008 was 5.2:1, whereas in London the ratio was 2.3:1, against a GB average of 3:1. In other words, in the Welsh Valleys worklessness is skewed towards incapacity benefits whilst in London it is skewed towards claimant unemployment. The reasons for these differences are not well understood.

Away from London and the Welsh Valleys, the predictive power of the regression model is often quite good. Table 2.14 lists 39 significant cities and towns across Britain, including all the main cities outside London, and compares the actual and predicted change in the female incapacity claimant rate between 1981 and 2008. In 24 of 39 cases the predicted change is within one percentage point of the actual change.

**Table 2.14: Actual and predicted percentage point change in female IB/SDA claimant rates: selected cities and towns, 1981-2008**

| | Actual | Predicted |
|---|---|---|
| Glasgow | 9.6 | 7.3 |
| Liverpool | 9.5 | 8.5 |
| Stoke-on-Trent | 9.0 | 6.7 |
| Blackpool | 8.7 | 4.2 |
| Middlesbrough | 8.4 | 8.2 |
| Swansea | 8.3 | 6.0 |
| Dundee | 8.2 | 6.0 |
| Sunderland | 7.8 | 6.4 |
| Manchester | 7.4 | 7.3 |
| Gateshead | 6.9 | 6.4 |
| Doncaster | 6.5 | 6.7 |
| Rotherham | 6.3 | 6.4 |
| Plymouth | 6.2 | 5.2 |
| Hull | 6.0 | 6.7 |
| Leicester | 6.0 | 6.0 |
| Nottingham | 6.0 | 5.2 |
| Newcastle-upon-Tyne | 5.8 | 7.1 |
| Birmingham | 5.6 | 7.3 |
| Coventry | 5.6 | 7.1 |
| Bradford | 5.4 | 5.3 |
| Cardiff | 5.4 | 5.0 |
| Derby | 5.3 | 5.9 |
| Peterborough | 5.3 | 4.0 |
| Aberdeen | 5.2 | 2.7 |
| Bournemouth | 5.0 | 3.7 |
| Sheffield | 4.9 | 6.4 |
| Bristol | 4.9 | 4.9 |
| Ipswich | 4.7 | 5.0 |
| Brighton | 4.4 | 4.1 |
| Edinburgh | 4.4 | 3.8 |
| Gloucester | 4.2 | 4.1 |
| Leeds | 4.1 | 4.7 |
| Southampton | 4.0 | 5.6 |
| Portsmouth | 3.6 | 5.9 |
| Cheltenham | 3.4 | 3.8 |
| Reading | 3.1 | 3.2 |
| Bath | 3.1 | 3.1 |
| Cambridge | 2.3 | 2.2 |
| Oxford | 2.2 | 4.6 |

Sources: DWP, ONS, Census of Population and authors' estimates

# 3. NEW SURVEY EVIDENCE

This section of the report presents the findings of Strand 2 of the research - a new survey of more than 3,600 incapacity benefits spread across eight localities in five GB regions. The first part describes the survey. The second part presents a wide range of information on women claiming incapacity benefits and looks at how they differ from (or are similar to) the men who claim these benefits. The third part explores the differences between women in different household circumstances. The final part explores the scope for labour market re-engagement.

## THE SURVEY

### Survey areas

The survey of incapacity claimants was carried out in eight districts. The intention was to cover a range of different types of locality. The aim was also to focus on areas where the incapacity claimant rate among women is relatively high, since it is the high claimant rate in these places that is most in need of explanation. In addition, the aim was that in each area the survey should be co-financed by a local partner so that in total a larger survey could be carried out than was possible using the core funding alone.

Seventeen potential survey areas were initially approached. These covered a range of different types of area across England, Scotland and Wales. In most cases the approach was to the relevant local authority, though in a few instances the approach

was to agencies leading local IB initiatives. Following discussion, eight survey areas were selected, each with co-funding from a local partner:

> *Barrow in Furness* in Cumbria, in North West England (pop 71,000). Barrow is a relatively isolated industrial town not far from the Lake District. Shipbuilding was formerly the dominant employer, and this industry still remains important in the town.
>
> *Blackpool*, again in North West England (pop 143,000). Blackpool is often described as Britain's premier seaside resort. The town remains a magnet for holidaymakers and day-trippers but has faced serious challenges to its core business from the rise of cheap travel abroad.
>
> *Easington* district in Co Durham, in North East England (pop 93,000). Easington district covers the heart of the former East Durham coalfield, including the mining settlements of Seaham, Murton, Easington and Horden, and the former new town Peterlee.
>
> *East Lindsey* district in Lincolnshire, in the East Midlands (pop 136,000). East Lindsey is a physically extensive and primarily rural district with a long coastline. It includes the market towns of Horncastle and Louth and the resort of Skegness.
>
> *Great Yarmouth* in Norfolk, in Eastern England (pop 92,000). Great Yarmouth is a seaside resort and small port. Like Blackpool, in recent years it has faced challenges arising from the changing structure of the UK holiday trade.
>
> *Hull* in Yorkshire and the Humber (pop 249,000). Hull is a significant city and one of Britain's largest ports. The city has a substantial manufacturing base, a university, and serves as the commercial and service centre for East Yorkshire.
>
> *Knowsley* borough in Merseyside in North West England (pop 193,000). The borough essentially covers the eastern suburbs of the Liverpool conurbation, and its economic fortunes have as a consequence been inextricably linked to those of the wider Liverpool area.

*Wansbeck* district in Northumberland in North East England (pop 62,000). Wansbeck is a former coalmining area, some 15-20 miles north of Newcastle and the rest of Tyneside. Ashington is the main town, and other settlements include Bedlington and Newbiggin.

The eight survey areas, spread across five UK regions, include a cross-section of the types of district where incapacity claimant rates among women are high:

- Two former mining areas (Easington and Wansbeck)
- An older industrial town (Barrow)
- Part or the whole of two northern cities (Hull and Knowsley)
- Two seaside towns (Blackpool and Great Yarmouth)
- A primarily rural area (East Lindsey)

According to the 2001 Census, the share of residents in employment who work in the same local authority district varies from 84 per cent (in Barrow) to 43 per cent (in Knowsley).

The eight survey areas are all located outside London and the South East, and all have a relatively small ethnic minority population. This actually reflects the incidence of IB claimants around the country, with the highest claimant rates to be found predominantly in the older industrial areas (and to a lesser extent the seaside towns) of the North, Scotland and Wales.

Table 3.1 presents figures on the number of female incapacity claimants in each of the survey areas in August 2006. Easington has the second highest incapacity claimant rate among women of all GB districts (out of just over 400). Knowsley and Barrow also come within the top twenty.

**Table 3.1: Working age women claiming incapacity benefits, survey areas, August 2006**

| | Number | as % 16-59 | Female IB rate district ranking (GB) |
|---|---|---|---|
| Easington | 4,320 | 15.9 | 2 |
| Knowsley | 5,790 | 12.6 | 8 |
| Barrow in Furness | 2,310 | 11.5 | 14 |
| Blackpool | 4,210 | 10.4 | 25 |
| Wansbeck | 1,700 | 9.4 | 40 |
| Great Yarmouth | 2,160 | 8.4 | 63 |
| East Lindsey | 2,940 | 8.1 | 72 |
| Hull | 5,820 | 7.8 | 86 |

Sources : DWP and ONS

## Survey method

The pilot area for the survey was Barrow in Furness, where the fieldwork was carried out in two phases, in November and December 2006 and then between March and May 2007. The fieldwork in all the other areas was took place between June and September 2007. This is a time of year – mid-summer - when job opportunities are most plentiful in seaside towns such as Blackpool and Great Yarmouth, two of the survey areas. There is little reason to suppose, however, that IB claimants move on and off benefit in a seasonal fashion, bearing in mind the hurdles involved in making and sustaining an IB claim.

The survey was conducted face-to-face, in individuals' own homes, by professional interviewers, using a tightly structured questionnaire covering aspects of work history, skills, health, job aspirations, training needs, benefits and household circumstances. The questionnaire was an evolution of one that had previously been deployed by the research team in a number of other localities.

The Department for Work and Pensions (DWP) supplied the names and addresses of the claimants to be interviewed, directly from its benefit records. There seemed little to be gained, at least in the context of the present study, from interviewing claimants of Severe Disablement Allowance, bearing in mind the high level and long

duration (often from childhood) of their disabilities. For these SDA claimants it is probably a reasonable assumption that high levels of disability lie at the core of an understanding of their labour market position and benefit status. The names and addresses from DWP were therefore exclusively for IB claimants (including NI credits-only claimants).

The research team were keen to obtain up-to-date comparative data on male IB claimants, and all the local partners who co-financed the survey were likewise keen to include men within the survey. In all eight areas, the survey therefore covered men as well as women.

The target size of the survey varied between localities, depending on the scale of co-financing. In Barrow it was 1,000 completed interviews (500 women, 500 men). In Blackpool, Great Yarmouth, Hull, Knowsley and Wansbeck it was 400 (200 women, 200 men). In Easington and East Lindsey it was 300 (200 women, 100 men). In all the survey areas these targets were essentially achieved.

In each area the individuals selected for interview were clustered in around 10 local areas (25 in Barrow) on the basis of postcodes, spread randomly across the whole of the district. This generated a geographically representative sample in each area.

As a condition of the use of DWP information, potential interviewees were sent a letter prior to the start of the relevant phase of the survey giving them two weeks to opt out by contacting a free phone line. Over the survey as a whole the opt-out rate averaged 18 per cent. There were up to three call-backs at each targeted address. Over the survey as a whole, no contact was made in 30 per cent of cases (in some instances because the target number of interviews for the locality had already been reached) and there was a refusal rate of 4 per cent on the doorstep. The rates of opt-out, no contact and refusal are broadly typical of this type of survey. Combined, they indicate that interviews were carried out with 55 per cent of the individuals originally targeted.

Checks were carried out on the quality of the information gathered by the field force. These included cross-checking with the data on age and duration on benefit provided by DWP on the same individuals. Checks were also made on variability between interviewers, and for a subset of interviewees the survey information was back-checked by phone. A number of completed interviews that did not meet the required

standard were discarded. There is good reason to be confident therefore in the quality of the survey returns.

In all, 3,629 useable interviews were completed – 1,935 with women and 1,694 with men. Each interview typically lasted 20-30 minutes.

For the purpose of the present report, a small number of women aged over 60 are excluded from the analysis[13]. So too are men aged 60-64, so that the data is directly comparable with working-age women. The analyses are therefore based on interviews with 1,890 women and, where comparisons are drawn with men, on 1,265 men.

### How representative?

As a check on the extent to which the survey data is representative of the stock of IB claimants as a whole, two comparisons can be made with DWP data. The first, in Table 3.2, concerns the age of claimants. The second, in Table 3.3, deals with the duration of their benefit claim.

In both tables the first column is the data from the DWP's national records on IB claimants. The second column also comes from the DWP's records but refers just to the eight survey areas. The third column shows the equivalent data from the survey returns. The survey data here is simply pooled, with no weighting for differences in sample size between areas.

Taking age first, the very youngest claimants (aged 16-24) emerge as slightly under-represented in the survey sample. This is not unusual in interview surveys of this kind, and to some extent may reflect frequent changes of address amongst this younger group. Broadly, however, the survey sample is representative of the survey areas and of Britain as a whole.

[13] Under detailed benefit rules, men and women who carry on working beyond state pension age (60 for women, 65 for men) can claim Incapacity Benefit for short periods.

**Table 3.2: Age of IB claimants**

| | GB (%) | Survey areas (%) | Survey returns (%) |
|---|---|---|---|
| **WOMEN** | | | |
| 16-24 | 8 | 8 | 4 |
| 25-34 | 12 | 12 | 11 |
| 35-44 | 23 | 23 | 24 |
| 45-54 | 34 | 34 | 38 |
| 55-59 | 23 | 24 | 22 |
| | 100 | 100 | 100 |
| **MEN** | | | |
| 16-24 | 6 | 6 | 3 |
| 25-34 | 12 | 11 | 9 |
| 35-44 | 20 | 19 | 20 |
| 45-54 | 24 | 24 | 25 |
| 55-59 | 17 | 18 | 19 |
| 60-64 | 21 | 23 | 24 |
| | 100 | 100 | 100 |

Sources : DWP and IB survey data

Regarding duration of IB claims, the shortest duration claims (less than six months) are under-represented in the survey. This is the result of two factors. First, there was a short time-lag between the extraction of names and addresses by DWP and the interviews – typically two months – during which time the duration of some claims will have moved over the six months threshold. The survey data records the duration of the claim reported by the respondent *at the time of the interview*. Second, recent IB claimants are the most likely to return to work, so that by the time the survey was carried out some sub-6 month claimants would have already moved off Incapacity Benefit. However, aside from the under-recording of very recent claimants the survey sample again appears representative.

**Table 3.3: Duration of Incapacity Benefit claim**

| | GB (%) | Survey areas (%) | Survey returns(%) |
|---|---|---|---|
| **WOMEN** | | | |
| Less than 6 months | 11 | 10 | 2 |
| 6 months-1 year | 7 | 7 | 6 |
| 1-2 years | 10 | 9 | 9 |
| 2-5 years | 23 | 22 | 25 |
| 5-10 years | ) | ) | 26 |
| | ) 49 | ) 52 | |
| 10 years or more | ) | ) | 32 |
| | 100 | 100 | 100 |
| **MEN** | | | |
| Less than 6 months | 10 | 9 | 2 |
| 6 months-1 year | 7 | 6 | 4 |
| 1-2 years | 9 | 8 | 10 |
| 2-5 years | 21 | 20 | 23 |
| 5-10 years | ) | ) | 26 |
| | ) 54 | ) 57 | |
| 10 years or more | ) | ) | 35 |
| | 100 | 100 | 100 |

Sources : DWP and IB survey data

These comparisons give high confidence in the survey returns. In the analyses presented below, the returns from the eight survey areas therefore continue to be pooled.

## WOMEN ON IB: WHO ARE THEY?

### Qualifications and experience

Table 3.4 shows selected qualifications held by women claiming IB. It also presents comparable information for men. What needs to be kept in mind here is that many people have more than one qualification, and there are many different types of qualification.

**Table 3.4: Selected qualifications**

| | Women (%) | Men (%) |
|---|---|---|
| Degree | 2 | 2 |
| ‘A’ level | 5 | 5 |
| ‘O’ level/CSE/GCSE | 28 | 24 |
| NVQ/ONC/OND/HNC/HND | 13 | 10 |
| Craft apprenticeship | 1 | 8 |
| Clerical or commercial | 3 | 1 |
| No formal qualifications | 60 | 59 |

NB Columns do not add to 100 because some respondents have more than one qualification

Source : IB survey data

The striking figure is the share of IB claimants that have no formal qualifications at all – three-fifths of all the women in the survey. There is clearly a large cohort of women on IB that, for lack of qualifications alone, is likely to be acutely disadvantaged in the labour market. The proportion of 16-59 year old male IB claimants with no formal qualifications is however virtually identical.

The high proportion with no formal qualifications is especially striking because in recent years a group of older men and women with no formal qualifications, who mostly entered the labour market in the 1950s when qualifications were deemed less

essential, have finally reached retirement age. As they have done so they have been replaced in the workforce by a younger generation of new workers with more education and training. As a result, across the country as a whole the share of working age adults with no formal qualifications has inexorably been falling.

Table 3.5 shows the length of time since IB claimants' last regular paid job. This is not the same as the duration of the incapacity claim itself, since not all claimants move directly from work onto incapacity benefits and, for women in particular, long breaks from employment whilst looking after children may precede an IB claim.

**Table 3.5 : Length of time since last regular paid job**

| | Women (%) | Men (%) |
|---|---|---|
| Less than 6 months | 1 | 1 |
| 6 months-1 year | 3 | 3 |
| 1-2 years | 7 | 8 |
| 2-5 years | 19 | 18 |
| 5-10 years | 21 | 24 |
| 10 years or more | 40 | 41 |
| Never had one | 9 | 6 |
| | 100 | 100 |

Source : IB survey data

Reflecting the long duration of many incapacity claims, it is ten years or more since two-fifths of female IB claimants were last in regular paid employment. This proportion is much the same for men. However, in addition, a further 9 per cent of women said they had never had a job. Some of these will be women whose disabilities from childhood have prevented them gaining employment. More generally, however, they are likely to be women who have never succeeded in gaining a foothold in the labour market or had children very early (and these categories may in practice overlap). Fewer men say they have never had a job.

In so far as the employability of an individual declines with rising duration out of work (the conventional view among labour market economists) on average the stock of female IB claimants faces formidable obstacles to re-employment on this indicator alone.

Table 3.6 shows the occupational background of IB claimants. These statistics are based on what these men and women called their 'usual occupation' and the various jobs have been grouped into the official Standard Occupational Classification. The sizeable group in the 'other' occupations category mainly covers lower-grade manual occupations not covered in the rest of the table.

**Table 3.6: Occupational background**

| *Standard Occupational Classification* | **Women (%)** | **Men (%)** |
|---|---|---|
| Managers and administrators | 4 | 5 |
| Professional | 1 | 2 |
| Associate professional and technical | 5 | 6 |
| Clerical and secretarial | 11 | 3 |
| Crafts and related | 4 | 28 |
| Personal and protective services | 17 | 2 |
| Sales occupations | 14 | 4 |
| Plant and machine operatives | 14 | 22 |
| Other | 30 | 29 |
| | 100 | 100 |

Source : IB survey data

There are inevitable variations between men and women, reflecting the persistence of an important element of gender segregation in the labour market. Women are more likely to have worked in 'personal and protective services' (eg care work, hairdressing), in sales or in clerical and secretarial work; men are more likely to have worked in craft occupations. Overall, however, it is the 'manual' occupations (from

‘crafts and related’ downwards on this list) that accounts for the majority of IB claimants – 79 per cent of women and 85 per cent of men. Professionals account for very few IB claimants – among women or men.

Table 3.7 lists some typical occupations of female IB claimants. There are few surprises here. The fourteen occupations listed in this table account for well over half of all women claiming IB in every one of the survey areas.

**Table 3.7: Some typical occupations of female IB claimants**

| | |
|---|---|
| Nurse | Factory operative |
| Care assistant | Shop assistant |
| Machinist | Barmaid |
| Admin and clerical | Cleaner |
| Sales representative | Chef/kitchen assistant |
| Cafe assistant | Accounts |
| Hairdresser | Cashier |

Source : IB survey data

Table 3.8 shows that women are less likely than men to have been working full-time – no surprise perhaps, given what has always been known about women’s working patterns. Women are also less likely to have been self-employed.

**Table 3.8: Status in last job**

| | Women (%) | Men (%) |
|---|---|---|
| Employee – full-time | 73 | 89 |
| Employee – part-time | 25 | 6 |
| Self-employed | 2 | 5 |
| | 100 | 100 |

Source : IB survey data

Despite the lengthy periods claiming Incapacity Benefit, many men and women do nevertheless have a record of substantial, continuous employment. This is illustrated by Table 3.9, which shows the length of time in claimants' last job. A quarter of the women who claim IB spent 20 years or more in their last job, and a further fifth between 10 and 20 years. For men the proportion who spent 20 years or more in their last job is somewhat higher – one-third of all IB claimants – possibly a reflection of the childcare-related breaks in employment that many women experience, preventing them from accumulating such long service in a single job.

**Table 3.9: Length of time in last job**

| | Women (%) | Men (%) |
|---|---|---|
| Less than 2 years | 23 | 21 |
| 2-5 years | 14 | 13 |
| 5-10 years | 19 | 15 |
| 10-20 years | 19 | 18 |
| 20 years or more | 25 | 33 |
| | 100 | 100 |

Source : IB survey data

## The transition to incapacity benefits

Table 3.10 presents the answers to the question 'Were you broadly happy in your last job?'[14]. The striking point here is that just over three-quarters of the female IB claimants said 'yes', and fewer than 10 per cent were outright in saying 'no'. These proportions are not radically different from those for men. They would however suggest that, at best, a desire to escape an unsatisfactory or unpleasant job can explain only a minority of the moves from employment to incapacity benefits.

[14] This is one of a small number of questions that were introduced following the pilot survey in Barrow in Furness. The data therefore applies to 1,250 women and 837 men (all aged 16-59) in the remaining seven survey areas.

**Table 3.10: 'Were you broadly happy in your last job?'**

| | Women (%) | Men (%) |
|---|---|---|
| Yes | 77 | 72 |
| Sometimes/up to a point | 13 | 16 |
| No | 8 | 10 |
| Can't remember/don't know | 2 | 2 |
| | 100 | 100 |

Source : IB survey data

The reasons men and women give for the loss of their last job are shown in Table 3.11. An important point to bear in mind here is that the reasons why an individual leaves a job can be complex. Sometimes there is a single, clear-cut cause. On other occasions job loss is the result of the interaction of a number of factors – for example cuts in a firm's workforce combined with personal ill health, domestic responsibilities and maybe even a bullying or unsympathetic boss. The survey asked men and women to identify the *principal* reason for leaving their last regular paid job. It is also important to bear in mind that the responses here only apply to the 91 per cent of female IB claimants who had ever had regular paid employment.

**Table 3.11: Principal reason for job loss**

| | Women (%) | Men (%) |
|---|---|---|
| Compulsory severance* | 10 | 18 |
| Voluntary – redundancy/retirement | 1 | 2 |
| Voluntary – pregnancy/baby | 8 | n.a |
| Voluntary – to look after children/others | 4 | 2 |
| Voluntary – other reasons | 5 | 5 |
| Illness or injury | 70 | 72 |
| Other | 1 | 1 |
| | 100 | 100 |

*compulsory redundancy, dismissal, end of contract

Source : IB survey data

The key feature is the importance of illness or disability as the trigger of job loss. This was cited by 70 per cent of women and by a broadly similar proportion of men. The prominence of ill health as a cause of job loss is perhaps to be expected among this group of IB claimants, but that still leaves nearly a third of female IB claimants for whom other factors were the primary reason. Compulsory severance for example – mainly redundancy - accounts for 10 per cent of women. Some 8 per cent of women said they left their last job to have a baby, and a further 4 per cent to look after children or others (such as their partner or parents). The importance of ill heath, injury or disability in the job loss process is underlined by the further 21 per cent of women (and 22 per cent of men) who said that this was a *contributory* factor to job loss, even where they cited other factors as the main reason.

Only 58 per cent of women (and 57 per cent of men) said they moved straightaway onto incapacity benefits when their last job ended. The complexity here may be that 'when the last job ended' is not always straightforward. Contracts of employment do not automatically come to an end when a prolonged period of illness or disability sets in, and different employers have different arrangements. At least some men and women are likely to perceive a period on sick pay as intervening between 'job loss' and 'incapacity benefits'.

The share of IB claimants who say they were claiming other benefits immediately prior to moving onto incapacity benefits is more straightforward. Some 22 per cent of female IB claimants (and 24 per cent of male IB claimants) fall into this group. There is an important difference here between men and women, however. Two-thirds (67 per cent) of the men who were previously claiming other benefits said they had been claiming Jobseeker's Allowance (or its predecessor, Unemployment Benefit). In contrast, 64 per cent of women said they had previously been claiming Income Support.

Just 2 per cent of all the women surveyed (and 1 per cent of the men) said they had been covered by someone else's benefit claim immediately prior to claiming IB themselves. Women in this position would typically be covered by an income-based (ie means-tested) JSA claim by a partner, or an Income Support claim by a parent in the case of very young IB claimants.

15 per cent of women (and 20 per cent of men) say they had claimed Incapacity Benefit at some stage in the past. 14 per cent of women (and 17 per cent of men) say that family members or friends were able to advise them about making a claim for incapacity benefits, and in 43 per cent of cases (39 per cent for men) this advice came from someone who had themselves claimed IB. These figures provide some support for the idea of 'cultural learning' – whereby IB claimants learn about the benefits system and their entitlements from those around them – but in the context of the overall numbers claiming IB it would seem to be a modest influence.

### Health issues

Table 3.12 looks at the nature of individuals' health problems. Although this data refers to the men and women who were surveyed, it comes directly from the DWP's own records. The illnesses and disabilities reported in this table are doctors' official assessment of the nature of claimants' health problems and the medical basis of their incapacity claims. Again, to maintain comparability the figures for both men and women refer just to 16-59 year olds.

**Table 3.12: Nature of ill health or disability**

| | Women (%) | Men (%) |
|---|---|---|
| Mental, behavioural | 41 | 41 |
| Musculoskeletal | 22 | 20 |
| Nervous system | 7 | 6 |
| Injury, poisoning | 4 | 5 |
| Respiratory | 3 | 2 |
| Circulation | 2 | 5 |
| All other | 20 | 20 |
| | 100 | 100 |

Source : DWP

Mental/behavioural problems head up this particular list. They account for just over 40 per cent of all women claiming IB. In practice this is a very broad category, encompassing stress and depression as well as more obviously serious psychological conditions, and including drug and alcohol addiction as well. What the medical profession terms 'mood (affective disorders)' – which includes 'depressive episodes' – accounts for three-fifth of these women, and 'neurotic, stress-related and somatoform disorders' for a further quarter. Musculoskeletal problems come second on the list. These can be characterised as 'bad backs' as well as more serious physiological constraints on movement.

What is noticeable, however, is that the recorded medical reasons why women claim incapacity benefits differ very little from those for men. Mental or behavioural problems are the most common cause for both sexes. The only important difference is that men are more likely to claim because of circulatory problems – typically heart attacks or heart conditions.

67 per cent of women (and 69 per cent of men) say they had their current health problems or disabilities when they were working in their last job (or before they claimed incapacity benefits in the case of those who have never worked). 54 per cent of women (and 53 per cent of men) say they have had these problems more than ten years.

**Table 3.13: Severity of health problems/disabilities while in last job**

| | Women (%) | Men (%) |
|---|---|---|
| Not a problem/barely an issue | 16 | 16 |
| Less severe | 42 | 43 |
| About the same as at present | 15 | 15 |
| More severe | 12 | 13 |
| Fluctuating | 11 | 11 |
| Don't know/can't remember | 3 | 3 |
| | 100 | 100 |

Source : IB survey data

Table 3.13 does however point to a growing severity of the problems. This shows individuals' own assessment of the severity of their present health problem or disability at the time they were working in their last job. Over half of all women, and over half of all men, say that their difficulties at that time were either less severe, barely an issue or not a problem at all. What these figures suggest is that for many men and women there has at some stage been a deterioration in health, either gradual or sudden, and this may help account for the high proportion who say they lost their last job because of ill health, injury or disability. A sizeable minority – rather more than a quarter – did however soldier on in their last job with health problems or disabilities that they say were as severe or worse than at the time they were interviewed.

Table 3.14 shows claimants' own assessment of the influence of health on their ability to work. A degree of self-reported health limitation is nearly universal among both men and women – fewer than 5 per cent of claimants say there is no limitation on the work they can do. Also, relatively few report only modest limitations. On the other hand, only just under a quarter (23 per cent of women, 24 per cent of men) say they 'can't do any work'. What needs to be kept in mind here is that eligibility for Incapacity Benefit does not depend on being unable to do any type of work in any circumstances. To qualify for IB, a claimant has to demonstrate a sufficient degree of ill health or disability to be not required to look for work.

**Table 3.14: Self-assessment of influence of health on ability to work**

| | Women (%) | Men (%) |
|---|---|---|
| 'Can't do any work' | 23 | 24 |
| 'A lot' of limitation | 57 | 56 |
| Some limitation | 16 | 17 |
| No limitation | 4 | 3 |
| | 100 | 100 |

Source : IB survey data

Table 3.15 presents claimant's own expectations about their health or disabilities. Pessimism is the norm. Half of all women (and half of all men) expect their problems to worsen. Few men or women expect them to ease.

**Table 3.15: Expectations about current health problems/disabilities**

| | Women (%) | Men (%) |
|---|---|---|
| Get better | 5 | 6 |
| Stay much the same | 13 | 16 |
| Fluctuate | 24 | 22 |
| Get worse | 52 | 50 |
| Don't know | 6 | 7 |
| | 100 | 100 |

Source : IB survey data

Across the survey sample as a whole, only 12 per cent of women claiming IB (and 15 per cent of men) said they had taken part in any rehabilitation programmes. For those who had taken part in such programmes, Table 3.16 presents their assessment of the impact. This provides mixed reading: over 40 per cent of men and women report that the programme 'helped a lot' or 'helped a little', whereas a similar proportion say that the programme was either no help at all or actually made things worse.

**Table 3.16: Impact of rehabilitation programmes**

| | Women (%) | Men (%) |
|---|---|---|
| Helped a lot | 12 | 11 |
| Helped a little | 31 | 31 |
| Too early to tell | 7 | 9 |
| Not sure | 7 | 8 |
| Not at all | 38 | 35 |
| Made things worse | 6 | 6 |
| | 100 | 100 |

Source : IB survey data

### Job aspirations

Table 3.17 is particularly significant. It combines the responses to several survey questions.

The first line presents the responses to the question 'would you like a job?' The important finding here is that the proportion of women saying they would like a job is low – just 17 per cent of all the female IB claimants interviewed. This proportion varied a little between the eight survey areas – from a low of 10 per cent in Knowsley to a high of 23 per cent in Easington – but was nowhere very high. The share of male IB claimants who say they would like a job – 19 per cent across all the survey areas – is barely any higher.

**Table 3.17: Job aspirations**

| | Women (%) | Men (%) |
|---|---|---|
| Would like a job | 17 | 19 |
| Might like a job further into future | 12 | 12 |
| Looked after last job ended | 11 | 19 |
| Looking now | 4 | 5 |
| Thinks there's a realistic chance of ever getting one | 2 | 3 |

Source : IB survey data

On these figures, women on incapacity benefits would appear to be an extremely de-motivated group with few aspirations to work. On a more positive note, however, the second line of Table 3.17 shows the additional claimants who said that they might like a job further into the future. Combined with those saying 'would like a job' in the first line of the table, this brings the pool of potential jobseekers up to 29 per cent of female IB claimants and 31 per cent of male IB claimants. Across the survey areas the figure varies from a low of 24 per cent of women in Wansbeck to a high of 34 per cent of women in Easington.

The third line in the table shows the proportion that looked for work after their last job ended. 11 per cent of female IB claimants fall into this group, but 19 per cent of male claimants. The difference here almost certainly reflects the 8 per cent of women who left their last job to have a baby (Table 3.11 earlier). The individuals who did look for work when their last job ended were clearly not resigned, at least at the outset, to a life on incapacity benefits.

The fourth line shows the proportion who say they are presently looking for work – just 4 per cent of women and 5 per cent of men. It should be noted here that unlike Jobseeker's Allowance for the unemployed, Incapacity Benefit does not require the claimant to look for work, and most do not do so. Indeed, there are often fears among IB claimants that to be seen to look for work would bring their status as an IB claimant into question.

The fifth and final line of the table refers to those who are presently looking for work and think there's a realistic chance of getting a job. Very few IB claimants, male or female, fall into this category.

**Table 3.18: Main reasons for not wanting a job**

| | Women (%) | Men (%) |
|---|---|---|
| Health not good enough | 93 | 94 |
| Too much uncertainty | 5 | 4 |
| Children to look after | 3 | 1 |
| Family responsibilities | 2 | 1 |
| Decided to retire permanently | 2 | 2 |
| No suitable jobs | 1 | 2 |
| Would be no better off | 0.6 | 0.4 |
| Don't need the money | 0.4 | 0.3 |
| Other reasons | 2 | 3 |

NB columns do no add to 100 because some people give more than one reason

Source : IB survey data

Table 3.18 shows the main reasons given for not wanting a job. Poor health dominates the responses, for both men and women. By comparison other factors, including childcare and other family responsibilities, figure very little. 'Too much uncertainty' does however come a poor second in this list of reasons, reflecting perhaps the security that at least some women feel that incapacity benefits are able to offer them.

**Sources of income**

Incapacity Benefit is not generous. The standard, long-term rate of IB itself (as oppose to Income Support paid on the grounds of incapacity) is just over £80 a week. However, many IB claimants receive further top-up benefits, and IB is rarely the sole source of household income. Table 3.19 shows the benefits that IB claimants said they were currently receiving.

**Table 3.19: Benefits currently received**

| | Women (%) | Men (%) |
|---|---|---|
| Incapacity Benefit | 80 | 85 |
| Council Tax Benefit | 50 | 50 |
| Disability Living Allowance | 48 | 44 |
| Income Support | 47 | 41 |
| Housing Benefit | 45 | 46 |
| Disablement/Industrial Injuries | 3 | 3 |
| Other benefits (ex Child Benefit) | 4 | 3 |

Source : IB survey data

The first point to note is that Incapacity Benefit itself is not received by everyone: the IB claimants who have insufficient NI credits will usually receive Income Support instead, generally with a disability premium. In addition, some IB recipients also receive Income Support as a top-up, depending on household circumstances.

The potential here for confusion in the way that individuals describe their benefits is considerable. 80 per cent of the women surveyed *said* they received Incapacity Benefit itself. In fact, DWP information on the same individuals shows that only 52 per cent of women (and 62 per cent of men) were actually *receiving* IB. All the women in the survey were *claiming* IB; the difference between the DWP and survey figures reflects the extent to which some women say they receive IB but actually receive Income Support on the grounds of incapacity. Women are more likely than men to have an insufficient National Insurance record to entitle them to Incapacity Benefit itself, partly because of breaks in employment associated with having children. It comes as no surprise, therefore, that IB itself is received by a lower proportion of women.

Other top-up benefits are widely claimed. Disability Living Allowance, which is paid at a number of rates according to the extent of disability and is in theory meant to offset additional costs, is claimed by 48 per cent of female IB claimants in the survey. Council Tax Benefit and Housing Benefit (both paid on the basis of household circumstances) are both widely claimed as well.

Table 3.20 looks at other sources of financial support. Again, these are varied. Only a very small proportion of IB claimants, either men or women, say they undertake any temporary or casual paid work. The responses to this question are probably honest, given the openness of interviewees about so many other aspects of their financial affairs. 7 per cent of female IB claimants have income from a pension, though 12 per cent of male claimants under 60 do so. For both men and women, this income will be from personal and company pensions, not state pension, and is often likely to have been accessed early as a result of ill health or disability, which is possible under the rules of many schemes. A partner's income can also be an important source of financial support, and this may be income from employment, benefits or a pension. Women are more likely to have a partner in work or with a pension; men are more likely to have a partner claiming benefit.

**Table 3.20: Other sources of financial support**

| | Women (%) | Men (%) |
|---|---|---|
| Temp/casual paid work | 2 | 1 |
| Pension income | 7 | 12 |
| Partner in work | 24 | 14 |
| Partner claiming benefit | 15 | 21 |
| Partner with pension income | 7 | 3 |
| Other personal income | 3 | 2 |

NB an individual may have several sources of income

Source : IB survey data

Under benefit rules, there are important interactions between the individual entitlements of men and women who live as co-habiting couples, whether married or not. In particular, if one partner claims income-based Jobseeker's Allowance, which is means-tested, it markedly reduces the incentive for the other to claim Incapacity Benefit: income from IB (including IS on grounds of incapacity) counts against the household's means-tested JSA entitlement on a pound-for-pound basis. In contrast, if one partner receives non-means tested IB their income will be unaffected if their partner also receives IB. This establishes a significant incentive in favour of households where both partners claim IB.

The survey findings conform to these expectations. Fewer than 2 per cent of all the co-habiting women who claim IB live with a partner who claims JSA. They account for less than 1 per cent of all women claiming IB. In contrast, 14 per cent of co-habiting women who claim IB have a partner who also claims IB. Even so, the significance of these 'double IB' households needs to be kept in perspective: they still account for only 6 per cent of all female IB claimants.

A further interaction occurs where one partner's benefit entitlement depends on the other's illness or disability. Thus the partners of some ill or disabled women are able to claim Carer's Allowance to look after them. This applied to just over 3 per cent of all the female IB claimants in the survey sample, or 7 per cent of all the co-habiting women. In fact, the partners of female IB claimants were five times more likely to claim Carer's Allowance than Jobseeker's Allowance.

**Housing tenure**

Table 3.21, deals with the housing tenure of IB claimants. Owner-occupation accounts for just over a third of female claimants, though a sizeable minority of these own their home outright. Private rented accommodation accounts for a further 15 per cent of women, but the largest single group – 44 per cent of the total - live in social rented accommodation (either housing association or council).

**Table 3.21: Housing tenure**

| | Women (%) | Men (%) |
|---|---|---|
| Owner-occupied - with mortgage | 20 | 17 |
| - owned outright | 16 | 12 |
| Rented – private | 15 | 17 |
| - from housing association | 17 | 15 |
| - from local authority | 27 | 32 |
| Live with parents | 2 | 4 |
| Other | 1 | 2 |
| | 100 | 100 |

Source : IB survey data

In detail the housing tenure of women claiming IB differs from that of men. Male IB claimants are less likely to live in owner-occupied housing and more likely to live in council housing. The differences are modest however.

**Who are they?: an assessment**

Taken as a whole, the survey data paints a picture that shows the overwhelming majority of women on incapacity benefits to be a long way from the labour market. The key points in this respect are:

- The very long duration of many incapacity claims

- The high proportion of claimants who have no formal qualifications
- The predominantly low-skill manual experience of so many claimants
- The prominence of ill health, as a cause of job loss and as a reason for not wanting a job, and the pessimism of so many claimants about their health prospects
- The low proportion who say they would like a job
- The even lower proportion who are presently looking for work

One of the striking features of the data, however, is that so often the key statistics for male IB claimants are almost identical to those for women. This applies for example to figures on job aspirations, health and qualifications. Where there are differences, for example in the causes of job loss or in the extent of part-time working, this is generally not difficult to explain in terms of the impact of pregnancy, childcare and the domestic role of many women. Or to put this observation another way, what the survey data tells us is that the men and women who claim incapacity benefits mostly come from almost exactly the same, lower end of the labour market and, in most respects, they share the same assessment of their labour market opportunities.

## HOW MUCH DO HOUSEHOLD CIRCUMSTANCES MATTER?

### The context of women's working lives

Despite substantial social change in Britain over the last fifty years, it remains the case that women's labour market position is often strongly influenced by their household circumstances, usually more so than for men. Most obviously, childbirth is often associated with breaks from employment, and women with young or school-age children are more likely to seek part-time employment that is compatible with childcare arrangements. Women also tend to be the principal carers for elderly parents and other family members.

In the context of benefit claims, household context is doubly important because many payments depend on household rather than individual circumstances. Thus although Incapacity Benefit itself is not means-tested on the basis of household income, Income Support paid on the grounds of incapacity is means-tested on the basis of household income in this way. So too are Housing Benefit and Council Tax Benefit. Indeed, the application of benefit rules in different household circumstances can establish important incentives – for example to claim non-means tested IB rather than means-tested JSA, to claim IB and receive IS with a disability premium rather than IS alone, and to claim IB rather than JSA when entitlement to IS as a lone parent comes to an end.

It is therefore helpful to explore the extent to which women's IB claims interact with their household circumstances. For this purpose, the women who were interviewed in the survey have been divided into six household types:

- Women living with a partner but no dependent children
- Women living with a partner and at least one dependent child
- Women who are lone parents with at least one dependent child
- Women who are lone parents living with older children
- Women with no partner but living with other adults
- Women who live alone

In this context 'dependent children' are those under 16, since at the time of the survey benefit rules allowed women to claim Income Support as a lone parent until their youngest child reached this age[15]. 'Older children' are those aged at least 16.

It is worth remembering that the household category allocated at a particular point in time – in this case to reflect circumstances at the time of the survey - is not necessarily fixed for all time. A 'lone parent with dependent children' may become a 'lone parent with older children' as her children grow up, and eventually a 'woman living alone' as those children leave home. Likewise, partnerships are being forged and broken all the time, so for example at least some of the women with partners and dependent children may have been lone parents in the past.

[15] In November 2008 this threshold was reduced to 12.

Table 3.22 shows the distribution of household types among the female survey respondents. Approaching half of the women claiming IB live with a partner, either as a married or unmarried couple. Rather less than a third of these have dependent children living with them. Lone parents account for around a fifth of the total, split almost evenly between those with at least one child under 16 and those with only older children at home. Women who live alone account for a quarter of IB claimants. The remaining small group – 'no partner, other adults' – includes women living with their parents and other relatives.

There are important differences in age between the household types. Unsurprisingly, the women with dependent children are on average a dozen or so years younger than the most of the rest. Women living with other adults are also a relatively young group, reflecting in particular those still living in the parental home. 80 per cent of the female IB claimants with partners and no dependent children are aged between 45 and 59, compared for example to just 18 per cent of the lone parents with dependent children.

**Table 3.22: Women claiming IB by household type**

| | % of women claiming IB | Average age |
|---|---|---|
| Partner, no dependent children | 33 | 50 |
| Partner, at least one dep. child* | 14 | 38 |
| Lone parent, at least one dep child* | 10 | 37 |
| Lone parent, older children | 9 | 48 |
| No partner, other adults | 8 | 37 |
| Live alone | 26 | 48 |
| | 100 | 46 |

* children under 16

Source: IB survey data

### Labour market engagement

Table 3.23 looks at the skills and labour market experience of the women who claim IB, disaggregated by the six household types.

The first column shows the share with no formal qualifications. There are important differences by household type. Women with dependent children, and those living with other adults (eg in the parental home) are rather better qualified than the rest. This is almost certainly a function of age, since younger women are in general more likely to hold formal qualifications, even if only GCSEs.

The second column shows the share of who have never had regular paid employment. The striking observation here is that one-in-five of the lone parents with dependent children and approaching one-in-six of the lone parents with older children have never had regular paid employment. A quarter of the women living with other adults also come into this category.

**Table 3.23: Skills and labour market experience of women claiming IB, by household type**

| | No formal qualifications (%) | Never had job (%) | Health=main reason for job loss (%) |
|---|---|---|---|
| Partner, no dependent children | 63 | 3 | 81 |
| Partner, at least one dep. child* | 42 | 6 | 61 |
| Lone parent, at least one dep child* | 53 | 20 | 58 |
| Lone parent, older children | 69 | 15 | 60 |
| No partner, other adults | 55 | 26 | 68 |
| Live alone | 67 | 7 | 68 |

* children under 16

Source: IB survey data

The third column shows, for those who have had a job, the share whose last job came to an end principally for reasons of ill health, injury or disability. The lone parents, but also the women living with a partner and dependent children, stand out as having a lower proportion that lost their last job for this reason. 21 per cent of the women with partners and dependent children, 17 per cent of the lone parents with dependent children, and 18 per cent of the lone parents with older children cite either pregnancy or childcare as the main reason for their last job ending.

Table 3.24 looks at the job aspirations of female IB claimants in the different household types. This reveals subtle though important differences. The women who express the strongest interest in working, now or in the future, are those with dependent children. In total, just under half of these women have this aspiration. Lone parents with older children are less interested in working. However, very few in all household types are currently looking for work, though the share is highest (7 per cent) among lone parents with dependent children. The share of women saying they 'can't do any work' is also lower among women with dependent children than among the rest.

**Table 3.24: Job aspirations of women claiming IB, by household type**

| | Would like job (%) | Or might like job in future (%) | Looking now (%) | 'Can't do any work' (%) |
|---|---|---|---|---|
| Partner, no dependent children | 15 | 10 | 2 | 23 |
| Partner, at least one dep. child* | 23 | 18 | 2 | 17 |
| Lone parent, at least one dep. child* | 25 | 22 | 7 | 19 |
| Lone parent, older children | 14 | 8 | 4 | 24 |
| No partner, other adults | 20 | 16 | 5 | 25 |
| Live alone | 13 | 9 | 4 | 26 |

* children under 16

Source: IB survey data

### Benefits

Table 3.25 deals with the benefits claimed by women immediately before their present IB claim, again disaggregating by household type. This is a potentially useful indicator of routes onto incapacity benefits and, possibly, of motivation.

The first point to note is that in all household types only a minority of women moved onto incapacity benefits directly from other benefits. Or to put this observation another way, across all household types the majority of women's benefit claims were from the start for IB itself. Around one-in-three lone parents, however, did initially claim other benefits.

The more revealing statistic is the share moving onto incapacity benefits from Income Support. There is a popular view within the Department for Work and Pensions, and especially among its front-line jobcentre staff, that many women who are lone parents move from IS to IB (in practice then receiving Income Support with a disability premium on the grounds of incapacity) as their youngest child approaches 16[16]. The logic behind this move, it is argued, is that when their youngest child becomes 16 they become ineligible for IS as a lone parent and would otherwise have to sign-on for Jobseeker's Allowance, with all its attendant conditionality and requirement to look for work. Claiming IB instead provides a slightly higher income with no strings attached.

What the figures show is that around a quarter of the women who are currently lone parents (with either dependent or older children) had previously claimed Income Support. Moreover, since some of the women in the other household types will also have been lone parents with dependent children prior to their IB claim, there is further evidence here of a diversion from Income Support as a lone parent to incapacity benefits. The figures for lone parents with dependent children also suggest that the diversion does not happen exclusively at the point when the youngest child reaches 16 and eligibility for IS as a lone parent comes to an end. In all 270 of the 1,890 working-age women surveyed (or 14 per cent of the total) said they had claimed Income Support immediately prior to their present IB claim.

[16] Some of these views are documented in the case study reports for the survey areas.

**Table 3.25: Benefits claimed by women immediately before IB, by household type**

| | Other benefits claimed (%) | JSA/UB | Income Support |
|---|---|---|---|
| Partner, no dependent children | 13 | 5 | 7 |
| Partner, at least one dep. child* | 20 | 5 | 14 |
| Lone parent, at least one dep. child* | 33 | 5 | 27 |
| Lone parent, older children | 31 | 4 | 26 |
| No partner, other adults | 31 | 17 | 10 |
| Live alone | 25 | 9 | 15 |

* children under 16

Source: IB survey data

Table 3.26 shows the principal benefits currently received by female IB claimants in the different household types. The table covers Incapacity Benefit (IB), Income Support (IS), Disability Living allowance (DLA), Housing Benefit (HB) and Council Tax Benefit (CTB). What needs to be kept in mind is the potential, discussed earlier, for confusion between *claiming* IB and actually *receiving* IS. The figures in this table refer to what women *said* they were receiving and overstate IB receipt.

The sharpest differentiation that emerges in this table is between lone parents and the rest. Lone parents claiming IB are the most likely to be receiving Income Support – in practice usually IS with a disability premium. They are also the most likely to receive Housing Benefit and Council Tax Benefit. All three of these benefits – IS, HB, CTB – are means-tested. Women who live alone – a proportion of whom will be former lone parents whose children have now left home - are not far behind in receipt of all three of these benefits. In contrast, women with a partner and no dependent children are three times less likely to receive Income Support, Housing Benefit or Council Tax Benefit. These differences potentially have important consequences for work incentives: a woman receiving means-tested benefits such as Housing benefit and Council Tax Benefit will generally lose greater income from benefits on taking up a job, reducing the overall financial gain from employment.

**Table 3.26: Benefits received by women claiming IB, by household type**

| | IB (%) | IS (%) | DLA (%) | HB (%) | CTB (%) |
|---|---|---|---|---|---|
| Partner, no dependent children | 83 | 22 | 51 | 23 | 28 |
| Partner, at least one dep. child* | 77 | 42 | 42 | 40 | 43 |
| Lone parent, at least one dep child* | 73 | 82 | 41 | 72 | 74 |
| Lone parent, older children | 80 | 71 | 54 | 66 | 74 |
| No partner, other adults | 76 | 62 | 41 | 23 | 29 |
| Live alone | 81 | 56 | 49 | 63 | 69 |

* children under 16

Source: IB survey data

### So does household status matter?

In the absence of a sophisticated multivariate analysis it is not possible to be certain that all the observed differences between claimants in different types of household are attributable to household status, as opposed to age for example. This exploratory analysis does however point to at least three conclusions.

First, for lone parents in particular there appears to be a complex relationship between claims for Incapacity Benefit and claims for Income Support. There is, for example, clear evidence of a flow from IS to IB. This may in some instances involve an element of 'choice', driven in part by different payment rates or (where a move from IS to JSA is the alternative) by the conditionality attached to each benefit. If a non-employed lone parent with dependent children has a health problem or disability it is perhaps inevitable that there will be an element of discretion about exactly which benefit is claimed. Even so, the diversion from Income Support as a lone parent to IB seems able to account for no more than 10-15 per cent of the total number of women claiming incapacity benefits.

Second, the financial well-being of women claiming incapacity benefits is likely to depend a great deal on household circumstances. Lone parents claiming IB mostly live on a package of means-tested benefits. Women with partners, especially those without dependent children, are far less dependent on means-tested benefits. For

many of this latter group, IB will essentially be a top-up (all be it perhaps an important one) to other household income.

Third, in terms of the likelihood of returning to work, the women with dependent children, including lone parents, appear to be a distinctly more propitious target than the others. They are on average younger, a little better qualified, express more interest in working and fewer say they 'can't do any work'. In contrast, lone parents with only older children at home seem much more entrenched in their labour market detachment.

## A MOVE BACK TO WORK?

### The target group for back-to-work initiatives

Whilst there is strong interest in understanding exactly why so many women now claim incapacity benefits, there is at least equal interest in what might be done to move the numbers down again. The new survey data sheds light on the options and possibilities.

The women who are potentially of greatest interest for back-to-work initiatives are those who say they would like a job or might like a job further into the future. These women make up 29 per cent of the stock of female IB claimants in the survey. Grossed up to the national scale, this is equivalent to around 300,000 out of the 1m women currently claiming Incapacity Benefit[17]. It is this group, represented by 555 interviewees in the survey, that we describe here as the 'target group' for back-to-work initiatives.

### Personal characteristics of the target group

Table 3.27 shows the age breakdown of this target group. The first column shows the age profile of all female IB claimants in the survey; the second column shows the

[17] To be comparable with the survey data, this figure of 1m excludes the 116,000 women claiming Severe Disablement Allowance,

age profile of those who said they would like a job or might like a job in future. The target group is markedly younger than the stock of female IB claimants as a whole: 60 per cent are less than 45, whereas 60 per cent of female IB claimants are 45 or older. A female IB claimant aged 16-24 is more than four times more likely to want a job, now or in the future, than one aged 55-59. Aspiring to a job is not unique to younger claimants, but it is far more likely.

**Table 3.27: Age of potential female jobseekers**

| | **All women on IB (%)** | **Women who would like job/ might like job in future (%)** |
|---|---|---|
| 16-24 | 4 | 9 |
| 25-34 | 12 | 18 |
| 35-44 | 24 | 33 |
| 44-54 | 38 | 31 |
| 55-59 | 22 | 10 |
| | 100 | 100 |

Source : IB survey data

Table 3.28 looks at the duration of incapacity claims and expresses the target group – those who would like a job or might like one in future - as a share of all female IB claimants in each category. The likelihood of expressing an interest in working declines with rising duration on incapacity benefits. Half of the women who have been claiming incapacity benefits for less than two years express an interest in employment, compared to just one-in-five of the women who have been incapacity claimants for 10 years or more.

**Table 3.28: Duration on incapacity benefits of potential female jobseekers**

| | % who would like job/ might like job in future |
|---|---|
| Up to 2 years | 51 |
| 2-5 years | 35 |
| 5-10 years | 23 |
| 10 years or more | 19 |
| All durations | 29 |

Source : IB survey data

The women who express interest in working are slightly better qualified than the incapacity claimant group as a whole. Just 55 per cent have no formal qualifications, compared to 60 per cent of all working-age female IB claimants. 40 per cent have 'O' levels, CSEs or GCSEs, 6 per cent have 'A' levels, and 22 per cent have NVQs or their equivalent.

In terms of health, mental/behavioural problems are more typical of the target group than of female IB claimants as a whole, accounting for 47 per cent of the potential jobseekers compared to 41 per cent of the total stock. The likelihood here is that many of the women in this category are affected by stress and/or depression. At one level, this should offer encouragement to back-to-work initiatives since these difficulties need not always be an insurmountable obstacle to employment. At another level, the prominence of mental/behavioural problems is a signal to tread carefully and sensitively.

### Job aspirations of the target group

Table 3.29 presents a range of information regarding the job aspirations of the women who say they would like a job. This particular table excludes those saying only that they 'might like a job further in the future'.

The first part of the table concerns full and part-time working. It comes as no surprise that half are only interested in part-time working, given the domestic responsibilities

that so many women carry, but the preference for (or willingness to accept) part-time working probably also reflects the interplay of poor health and long periods out of the labour market. Many men and women on incapacity benefits are genuinely uncertain about their ability to hold down a full-time job. They fear for the robustness of their physical or mental health. They are also wary of taking on full-time work commitments knowing that their on-going health problems may require them to take time off, especially to cope with conditions that they know tend to fluctuate.

The second part of the table deals with when they might like to start work. The significant point here is that only just over a quarter of the women are keen to start fairly soon, and less than half at any time over the next year. Around a third say they are uncertain about when they would like to start – a reflection, in some instances no doubt, of uncertainties over the progress of health issues.

**Table 3.29: Aspirations of women on IB who would like a job***

| | (%) |
|---|---|
| Would like - full time job only | 35 |
| - part-time job only | 49 |
| - full or part-time job | 16 |
| To start - now/fairly soon | 28 |
| - sometime over next year | 18 |
| - further into future | 20 |
| - not sure | 34 |
| Type of work - usual/previous occupation | 23 |
| - other occupation | 47 |
| - anything | 11 |
| - don't know | 19 |

* excludes those saying only 'might like job further into future'

Source : IB survey data

The third part of the table concerns the type of work they would like. The important observation is that fewer than a quarter want to return to their old occupation. Nearly half say they would prefer an alternative occupation instead. What is also notable is that 30 per cent of these women are either completely open-minded about what they might do or don't know at all.

The survey asked women where they would be willing to work. The answers are inevitably sensitive to the local geography of each survey area – East Lindsey is physically a much larger district than Wansbeck for example. The proportion willing to work only in the district where they lived varied from a low of 72 per cent in Knowsley (which is very close to Liverpool) to 94 per cent in Hull. The general message, however, is that these women are not willing to travel very far. The comparable figures for men ranged from 35 per cent (in Wansbeck) to 84 per cent (in Barrow and Easington).

The survey also asked IB claimants whether they had access to a car. Only 44 per cent of the women who expressed interest in working (and 39 per cent of the men) had a car or van available to the household, and only 31 per cent of the women (and 30 per cent of the men) said that a vehicle would be available for them to travel to work. Car ownership is particularly low among female lone parents claiming incapacity benefits – fewer than 30 per cent have a car.

Table 3.30 lists the alternative occupations mentioned by the women who said they would like a job. The occupations are presented in no particular order here, and several were cited by more than one person. Some women mentioned up to three alternatives for themselves. The diversity of the list is striking. So too is the highly specific aspirations of at least some individuals.

Table 3.31 presents women's responses to the question 'Roughly how much do you think you would need to earn, after tax, to make it worthwhile coming off benefit?' This was asked only of those who said they would definitely like a job. The responses are for the 294 women who were willing to offer an answer to this question. There are two significant observations here.

**Table 3.30: Alternative occupations cited by women who would like a job**

| | |
|---|---|
| Author | FE teaching |
| Customer service | Teaching assistant |
| Shop work | Social worker |
| Cashier | Psychologist |
| Clerical | Nurse |
| Office work | Counselling |
| Data input | Youth worker |
| Typist | Carer for adults with learning disabilities |
| Receptionist | Child care assistant |
| Call centre work | Carer |
| Book-keeping | Voluntary sector |
| Civil servant | CAB advisor |
| Travel clerk | Driving instructor |
| IT work | Driving |
| Medical secretary | Courier |
| Legal secretary | Factory operative |
| Lawyer | Events co-ordination |
| Librarian | Barmaid |
| Health and safety inspector | Waitress |
| Interior designer | Cook |
| Painter and decorator | Kitchen assistant |
| Beautician | Cleaning |
| Nail technician | Card making |
| Hairdresser | Film camera work |

Source : IB survey data

**Table 3.31: After-tax earnings needed to come off benefit**

| | **(%)** |
|---|---|
| Less than £100 pw | 2 |
| £100-149 pw | 9 |
| £150-199 pw | 11 |
| £200-249 pw | 21 |
| £250-299 pw | 11 |
| £300 pw or more | 17 |
| Don't know | 30 |
| | 100 |

Source : IB survey data

The first is that nearly a third of women say they 'don't know' how much they would need to earn. This is hardly surprising given the multiple benefits that some presently claim and the complexity of the in-work tax credits and benefits to which they might continue to be entitled. The 'don't knows' may also reflect a lack of thought on this issue by some women for whom a job still seems a remote prospect.

The second is that the required wage level is often quite high. The banding in the table slightly exaggerates this point because in practice 16 of the 294 respondents said £100 a week, 23 said £150, 60 said £200, 33 said £250 and 37 said £300 (all these sums are at the bottom of a band). Even so, 40 per cent of the women who were able to specify a definite sum said they would require at least £250 a week, and this figure is after tax.

### Obstacles to employment

Table 3.32 lists the obstacles to finding work cited by the women who say they would like a job or might like a job in future.

Ill health, injury or disability, mentioned by nine-out-of-ten women, dominates this list. There is clearly a major issue here. Whatever the objective reality of women's health, or indeed the true opportunities in the labour market, the *perception* has unquestionably taken root even among the women closest to the labour market that their health or disability is a stumbling block to employment. It is hard to see back-to-work initiatives succeeding without directly tackling these concerns.

Among the less frequently mentioned obstacles, a shortfall in qualifications, skills or experience is cited by 10 per cent of women. Rather depressingly, ill health, injury or disability is again cited most frequently (in 70 per cent of all cases) as an obstacle to obtaining additional qualifications. Lack of confidence is also cited by 28 per cent of women who see obstacles to gaining qualifications, and 25 per cent of women cite childcare arrangement or other domestic responsibilities as a barrier to extra qualifications, skills or training. A fifth say they 'don't to know where to start' or 'need help or advice'.

**Table 3.32: Obstacles to finding work**

| | % |
|---|---|
| Ill health, injury, disability | 91 |
| Qualifications, skills, experience | 10 |
| Not enough suitable jobs | 9 |
| Childcare arrangements | 9 |
| Lack of confidence | 8 |
| Age | 6 |
| Difficult to get to work | 3 |
| Lack of advice on benefits/options | 2 |
| Other domestic/caring responsibilities | 2 |
| Other various obstacles | 1 |
| 'No obstacles' | 3 |

NB individuals could cite more than one obstacle so columns do not add to 100

Source : IB survey data

On the issue of childcare, mentioned by nearly one-in-ten potential women jobseekers as an obstacle to employment, the cost and availability are mentioned most often as problems. An inability to fit work around school hours and a lack of cover for school holidays also figure in around a fifth of cases. Around a third of the women who cite childcare as an obstacle to employment say would prefer not to leave their children at all.

Table 3.33 presents the responses to the question 'What do you think potential employers would think about you?' Hardly any women are confident that an employer would think them a pretty good bet or worth a try. Far more – just over half – think they would be viewed as too ill or disabled, and a further fifth as 'too big a risk'.

**Table 3.33: 'What do you think potential employers would think abut you?'**

| | % |
|---|---|
| A pretty good bet/worth a try | 8 |
| Too ill or disabled | 53 |
| Too big a risk | 21 |
| Too little experience | 10 |
| Too poorly qualified | 9 |
| Too old | 8 |
| Too highly qualified/skilled/experienced | 1 |
| Don't know | 21 |

NB columns do not add to 100 because women could give more than on answer

Source : IB survey data

The skills and attributes that the female IB claimants who would consider working feel they could offer an employer are diverse, covering personal characteristics (eg 'reliable', 'punctual', 'good with people', 'hardworking') as well as specific skills. The point is that, as might be expected with any group of mostly mature and experienced men or women, back-to-work initiatives for IB claimants do not start with a 'blank sheet of paper'. Many individuals not only have a fairly clear idea of what they might like to do in future but also have a good idea of their principal selling points to an employer.

On the other hand, many claimants take a pessimistic view of the opportunities for them. When asked 'Do you think there are appropriate job opportunities for you here in the local labour market?', 58 per cent of the women who expressed an interest in returning to work (and 66 per cent of the men) said 'no'.

On a more positive note, 9 per cent of the women who express interest in working say they have thought of becoming self-employed. The comparable figure for all female IB claimants is just 3 per cent. Asked what help they would require to start working for themselves, the varied responses come down to in essence to just two: business start-up advice and financial help.

13 per cent of the women who express interest in returning to employment undertake temporary or casual work, nearly three-quarters on an unpaid or voluntary basis. Four in every five of these do so in jobs that differ from their 'usual occupation'. Rather more than half say that they would like to carry on doing this on a fairly long-term basis and more than two-fifths say they have considered building on this experience.

**The target group: what's likely to work?**

Six lessons emerge from this assessment of the incapacity claimants who show an interest in returning to work:

- The most receptive to back-to-work initiatives are likely to be the most recent claimants. Even so, there are also quite a number of longer-term claimants who have not discarded hopes of returning to work.

- Among the women who might return to work, health problems and disabilities remain a core obstacle. These problems need to be addressed directly through the provision of, or routing to, appropriate rehabilitation services.

- Opportunities for part-time working need serious emphasis. Many women are receptive to the idea of part-time work not simply because it is easier to reconcile with domestic and childcare responsibilities but because it provides a transition back into employment that can be reconciled with their on-going health worries.

- Guidance needs to be available on the financial pros and cons of returning to work. This needs to take account of the full range of in-work tax credits and the impact on all the benefits claimed by the woman's household. The information also needs to be worked out in detail for each individual.

- Back-to-work services need to respond to the specific aspirations of individual women. Many have clear preferences. Generic courses for IB claimants are probably less appropriate than routing individuals to training or job opportunities that match what they want.

- The potential for building on temporary and casual work, often of a voluntary nature, needs to be fully explored.

# 4. QUALITATIVE EVIDENCE

This section reports the findings of Strand 3 of the research - qualitative interviews with women claiming incapacity benefits, and with professional stakeholders involved with the administration of state benefits, those providing retraining and rehabilitation schemes and GPs.

## IN-DEPTH INTERVIEWS

### Selection of interviewees

In total, 73 in-depth qualitative interviews were carried out with women claiming incapacity benefits and 43 interviews with professional stakeholders directly or indirectly involved with administering incapacity benefits or working with incapacity claimants. A further 28 in-depth interviews were carried out with male IB claimants but the analysis presented here deals specifically.

Nearly all the professional stakeholders were based on the eight districts where the Strand 2 survey was conducted. The exceptions were two representatives of DWP at national level. The professional stakeholders included representatives of Jobcentre Plus, staff working for providers of various employment support, retraining and rehabilitation services, family GPs, public health officials and medical officers with the DWP.

The women on IB who were interviewed had all previously taken part in the Strand 2 survey. At the end of the survey, respondents were asked if they would be prepared

to take part in an in-depth follow-up interview and provide a contact telephone number. The sample was selected from among those who had expressed a willingness to do so and provided the requisite details.

In-depth interviews typically lasted 40-75 minutes, although a small number were either shorter or longer than this. The interviews were carried out face-to-face by members of the core research team and took place in the claimant's home or, in the case of professional stakeholders, at their place of work. Interviews were tape-recorded and partial transcripts and notes subsequently typed and thematically coded using XSIGHT textual analysis software.

It was not the aim of the in-depth qualitative interviews of claimants to cover a statistically representative sample, but rather to ensure that women in a range of different situations were interviewed. The following groups were targeted to ensure the necessary breadth of coverage was achieved (the interview numbers achieved in parentheses do not sum to the total of 73 due to overlap):

- Single parent with dependent children (13 interviews)
- Aged 50+ (31 interviews)
- Aged under 50 (39 interviews)
- With a partner in work (16 interviews)
- With a partner not in work (15 interviews)
- Those who indicated in the survey that they want a job either now or 'maybe in the future' (29 interviews)
- Does not want a job (36 interviews)

**Topics covered**

The main topics covered in the claimant in-depth interviews were:

- Household, employment and health history and context
- Route onto incapacity, including specific events and triggers and prior knowledge of and attitudes towards people 'on-the-sick'
- Experiences of being on incapacity, including Personal Capacity Assessments and the attitude of friends, family and neighbours

- Job aspirations, levels of job search, retraining or rehabilitation and perceived obstacles to employment
- Experiences and attitudes towards the benefits system and employment support and retraining programmes.

13 interviews were carried out with officials from Jobcentre Plus and 19 with providers of employment support, retraining and rehabilitation services. The main topics covered in these interviews were:

- Typical routes onto incapacity and how these differ between men and women
- Reasons for the rise in the number of women claiming incapacity benefits
- Obstacles to women moving off incapacity
- Local initiatives to move people off incapacity and their success or otherwise for men and women
- Pathways to Work, including its successes and limitations.

Eight interviews were carried out with GPs and three with public health officials. The main topics covered in these interviews were:

- Roles and practices of GPs in the incapacity and sickness absence systems
- Reasons for the rise in the number of women claiming incapacity benefits
- Women's health and ill-health
- Personal assessment of Pathways to Work and local initiatives to move people off incapacity benefits.

The main topics covered in the interviews with two members of DWP Medical Services were:

- Roles and practices of GPs and DWP approved doctors in the incapacity system
- The operation and management of the Personal Capability Assessment
- Women's health and ill-health
- Pathways to Work, including its successes and limitations.

Where an interviewee's actual words are quoted, their location (e.g. Barrow, Blackpool, etc) and position (e.g. claimant, GP, etc) is stated. In the case of Jobcentre Plus staff, location is not generally stated in order to protect anonymity.

## IS THERE A 'SICK CULTURE'?

There are two distinct elements to a 'sick culture':

- First, areas which have had high levels of men claiming incapacity benefits for a generation or more may develop a *cultural acceptance* of being 'on the sick', making people more inclined to claim incapacity benefits.

- Second, there may be more *awareness* of the benefits system in general and in particular the eligibility rules for incapacity benefits and the process of moving onto incapacity from Statutory Sick Pay, other benefits or economic inactivity.

To test these notions, women were asked a series of questions relating to how they felt about claiming incapacity benefits, whether people treated them differently since claiming, whether they knew other people claiming, whether anyone suggested that they claimed and, finally, whether they received help or advice in making their claim. In addition, although not specifically prompted about cultural issues, many of the professional stakeholders also talked about localised 'cultures of dependency'.

### Cultural acceptance

A striking feature of women's responses was how few people other than immediate family knew they received Incapacity Benefit. For example *"I still think there's a stigma, I don't tell anybody I'm on it, I don't even tell my neighbours"* [Blackpool claimant]. Many interviewees indicated that benefit receipt and financial issues were things that were not talked about. Interviewees talked about feeling humbled by claiming, for example *"I'm not comfortable with it because I'm not earning that money, I wish I could go out and pick up a pay packet but circumstances mean you*

*just have to accept it"* [East Lindsay claimant]. However, most women relatively easily reconcile this with the fact they feel unable to work and had paid tax and National Insurance while working before claiming: *"I know I've worked hard over the years and I've earned the money so I don't feel guilty about claiming incapacity benefits in that respect"* [East Lindsay claimant].

Others feel embarrassed more than humbled, for example, *"I don't like claiming, but I think it's other people's attitudes towards you. Sometimes I think they look at me and think well there looks nothing wrong with her and she's claiming sick money"* [Easington claimant]. More problematic for claimants is 'raised eyebrows' from neighbours and acquaintances about their source of income, for example *"some people treat you differently…like when we changed our car, you can see them wondering how it's being paid for and they wonder what's really wrong with you"* [Barrow claimant].

Although a small number of interviewees indicated they were not concerned who knew they claimed, overall responses are not consistent with a widespread 'sickness' culture, in fact quite the opposite – the work ethic appears to be thriving in high-IB communities.

In relation to women in particular there has, however, been a cultural recognition that women are as likely and as entitled to claim incapacity as men. This reflects the increased labour market participation of women – since women are increasingly being seen as breadwinners, it is correspondingly seen as normal that they might claim incapacity benefits if they become sick. For example, *"what I think we're seeing now is equality in the workplace is now leading to equality in disability, the proxy for disability in this case being Incapacity Benefit. So I don't think we're seeing in particular any new issue. I just think we're seeing the removal of some entrenched social attitudes…you could call it women breaking through the glass ceiling of Incapacity Benefit"* [Barrow GP].

Most of the GPs interviewed thought there were elements of 'sick cultures' present, particularly in relation to sick notes for short periods of absence from jobs although also in relation to incapacity claims. However, most GPs recognise that such a 'sick culture' is complex and contingent on job status. For example, *"we see a lot of people wanting sick notes, and a lot of them are for conditions that if I had I would still come to work, but that might be because I've got a very interesting and well-paid*

*job. If my job was standing in the Pleasure Beach for 16 hours a day being paid a pittance I'd probably much prefer not to bother doing it"* [Blackpool GP].

Many of the labour market managers, particularly officials working for Jobcentre Plus, were of the opinion that localised 'cultures of dependency' – operating at the scale of a few streets in the most disadvantaged housing estates – sometimes form in which benefit receipt has become the norm. Such geographically concentrated worklessness may disconnect people from informal networks through which information about employment and specific job openings may flow. Through time, worklessness may become increasingly accepted and people's motivation to seek employment may erode. However, Jobcentre Plus staff spend a disproportionate amount of their time with the most problematic benefit claimants and therefore may place more emphasis on such localised dependency cultures than they in fact warrant.

According to benefits staff, most of these 'cultures of dependency' operate at street level rather than across whole districts. Others are restricted to particular extended families. As such these 'cultures of dependency', insofar as they exist, appear to be limited in extent and therefore do not provide a convincing explanation of why such a large number of women have followed men onto Incapacity Benefit in the same parts of the country. Nevertheless, stakeholder interviewees seemed to give more credence to the existence of 'dependency cultures' in some districts more than others, for example Easington, Knowsley and Hull.

**Learning the system**

Turning to the question of 'learning the system', there is again little evidence of this, certainly among the claimants interviewed. Most indicated that they did not know anybody claiming incapacity benefits before they claimed and that no-one other than a benefits officer helped them make their claim. Even those who knew someone claiming generally did not receive assistance from them with their claim. Some had not even heard of Incapacity Benefit before they claimed, for example *"I'd never heard of incapacity; neither of us had ever claimed benefits, so we hadn't thought about it"* [Barrow claimant].

Most talked of the process of moving onto incapacity in vague terms, such as *"I'd heard of Invalidity Benefit but didn't know any of the ins and outs of it"* [Barrow claimant]. Common responses were *"I just sort of graduated onto Incapacity Benefit really through the system"* [Easington claimant] or *"it just sort of happened, it just flowed really you know"* [Great Yarmouth claimant], apparently with remarkably little understanding of the details, or implications, of moving onto incapacity.

There is some evidence of learning. For example *"I first heard my father talk about it around the time of the pit closures, when there were rumours of workers claiming the sick for depression"* [Easington claimant]. But overall the responses from women claiming incapacity benefits suggest there is little 'learning the system' in areas of high incapacity claims.

**The role of institutions**

Although there appears to be little learning of the system among the general population, the same may be less true among professionals and institutions who deal – directly and indirectly – with the incapacity system. Many women interviewed indicated that the trigger to their claim was a suggestion from a medical practitioner, often either a nurse or their GP, that they might be eligible to claim, for example *"a nurse on a home visit asked how we were getting by financially and I said we weren't, so she suggested going to the CAB about the sick, so I did"* [Barrow claimant] and *"as soon as I saw my GP they advised me to claim incapacity"* [Easington claimant].

Without replicating the interviews in areas of low incapacity receipt it is difficult to be certain that this effect is greater in parts of the country with a high level of claims, but it seems plausible that medical staff will develop a greater awareness of incapacity benefits in areas with a higher proportion of the population claiming.

GPs interviewed were mostly of the view that employment is good for most patients' health (assuming it is at all possible for a particular individual to work) so would not be inclined to encourage an incapacity claim per se. Some GPs thought that many of their patients who end up on incapacity benefits are capable of at least some jobs, but that as their primary health care provider it is not their place to question a patient's own view of themselves as incapable of work. For example, " *there's quite a*

*big difference between whether or not you're able to work or whether or not you can do your job. If somebody says to me this is stopping me from doing my job, well short of going out there and spending at least a month in the workplace observing them you know, I'm not the judge of it, they're the judge of it, the patients are the judge of it, and they get 10 minutes with me during which time I do all the other things as well including dealing with the illness they've brought with them. So you know how much is everybody expecting me to be able to genuinely ensure that what somebody's telling me is true? If our starting point with our patients is that they're lying to us then we have a dysfunctional relationship already and that isn't really the sort of relationship that you want to be starting off with if your starting point is illness"* [Barrow GP].

The value attached to paid employment on health grounds by GPs seems to be in contrast to their view in the 1980s and 1990s. A number of the professional stakeholders interviewed (including some GPs themselves) were of the opinion that until ten years ago or so GPs saw incapacity benefits as an important source of financial security for people being made redundant. For example, *"there's always been a perception, especially with GPs, that there's no jobs, so this [signing onto IB] is a way to help people to get money, and actually that perception's wrong now. So…we're trying to educate them to see that there are jobs and signing people off on the sick is not the answer because often once they've been signed off for a while they become depressed regardless of what the initial diagnosis was."* [Easington, employment service provider].

Similarly, the perspective from Jobcentre Plus highlights the significance of the moment when someone is certified by a doctor as being unfit for work. *"It's often stress related illnesses, it's often the bad backs, it's often muscular-skeletal or blood pressure or respiratory…where in fact the customer, with the right level of support, could actually work. So the doctor's making the decision on perhaps a five minute interview in the surgery whether or not to issue a sick note. By issuing that sick note they're actually causing that customer to claim Incapacity and start on the very top of this downward spiral into social exclusion, and it would be far handier if doctor's sick notes were only issued to people who are – genuine's too strong a word – but people who can't work rather than who don't feel as though they can"* [JCP officer].

Seeing first hand the health consequences of long-term benefit receipt among some of their caseload, most GPs appear to have now changed their view about the

wisdom of too readily signing someone onto the sick. However, a GP's duty of care constrains how far a GP can challenge a patient reporting that they feel unwell and most of those interviewed said they were reticent to refuse patients sick notes, for example *"we're writing more sick notes for mental health issues – depression, stress, anxiety. Because it's quite non-specific, it's quite hard to argue with someone…you can't prove it or not prove it can you? You just give them the sick note….they're often patients that we've known for a long time and we know all their circumstances and we know why they're stuck, and actually that's why it shouldn't be GPs that have to make the decision, it shouldn't be someone with whom the patient has an ongoing relationship, it should be completely separate"* [Blackpool GP].

There is a similar change through time in the practices of benefits staff. Until benefit reforms that restricted eligibility for a number of benefits in the mid 1990s, the then Department for Social Security often sought to maximise uptake of incapacity benefits in order to reduce the unemployment claimant count. In areas of declining heavy industry with high levels of ill health, Invalidity Benefit (now Incapacity Benefit) was a major part of this strategy. This is echoed by the 'triggers' for claiming incapacity benefits reported by women. For example *"it was the social that told me, I went to the job centre and they said 'you should be claiming incapacity benefits'"* [Blackpool claimant] and *"I went to an interview [at the jobcentre] and this lady said 'you can get incapacity plus your Income Support', she said 'I'll see to it for you, you just need to get a sick note from your doctor"* [Knowsley claimant].

However, today there is a different emphasis within Jobcentre Plus, reflecting central government policy and targets, that people claiming benefits, if capable of work, should be redirected towards employment as quickly as possible. In the words of one Jobcentre Plus officer, *"we spent the last twenty years putting people onto Incapacity Benefit, now we're going to spend the next twenty getting them off again".* This change in emphasis seems to be quite profound, shifting from a view of benefit receipt as a good thing to a presumption of widespread 'playing the system', as revealed by another Jobcentre Plus officer, *"it's kind of perceived within our organisation that depression is the new bad back; in the old days of Invalidity Benefit it was 'I've got a bad back because I've worked down the mines'…and now it's kind of like if I'm depressed or I've got a low mood then that's the other way that's going to make an easy route onto an inactive benefit".*

There is certainly a lot of knowledge of the incapacity system accumulated in the 'third sector' shadow state, which is well represented in areas of high incapacity claims. However, these organisations are mostly tasked with rehabilitation, mentoring and training to help people already on benefits back into work. It is therefore difficult to see a role here for 'institutional learning' that has contributed to the level of incapacity claims.

## 'HIDDEN UNEMPLOYMENT' OR 'SICKNESS?

### Women claiming incapacity benefits as 'unemployed'

Almost all women talked about a latent desire to work, short circuited by what they perceive to be insurmountable obstacles in terms of health, low skills, inflexible employers and a lack of locally available jobs. For example *"I wish I could work. I would far rather be out there doing something than sitting in these four walls 24 hours a day"* [Easington claimant] and *"yeah, definitely [I would like to be back at work], like anybody would unless there's a real reason why you can't you know, you'd have to be really really ill or really disabled in some way which you know, I'm not"* [Barrow claimant].

This suggests that many women claiming incapacity benefits can be considered – to some extent at least – to be involuntarily out of work. Whether this is due to a lacking availability of jobs, their health or other factors is a crucial – but difficult – question to answer.

Some women reported often or at least periodically looking at job advertisements in the local newspaper, although few would apply for a job. Most indicated that the jobs were either not in their previous occupation, were asking for experience or qualifications they did not possess, or were of insufficient pay or anti-social hours. For example *"the choice of jobs round here is either cleaners or carers"* [Great Yarmouth claimant] and *"there's no clothing industry at all see and that's all I've every known, so it's hard"* [Easington claimant].

A common perception is that employers would be unlikely to be able to accommodate their ill health into work practices and requirements. For example *"I have to say I think it would be very hard to get another job, how do you tell, you know if you've got two people in front of you, which one would you take – the one with the fitness record that's fine or somebody who says 'I've been on the sick for two years because I started to black out sort of thing'?"* [Wansbeck claimant]. Those who had applied for a job or jobs had mostly only applied for a small number and seemed to be easily put off further job search by rejection: *"I've applied to supermarkets and things like that but when I put down I've got a touch of arthritis in my joints I don't hear back from them"* [Blackpool claimant].

So, although perceived low prospects of gaining employment, based on their own characteristics and situation, discourage most from active job search, this judgement is shaped by perceived low availability of suitable jobs in the local area and anticipation of employers being unable or unwilling to accommodate their disability or health needs.

Many more women engage in skills retraining or health rehabilitation programmes than with sustained, active job search. IT courses are popular, fuelled by a perception that this would be vocationally useful. However, a number of interviewees abandoned these courses due to health problems: *"I did actually start a Learn Direct course when they were based at the village but I only managed to get halfway through that because it was sitting on a chair for so long in front of the computer, because I have to be up and down all the time you see because otherwise I get stiff"* [East Lindsay claimant]. Those completing IT courses never seemed to have gone on to search for jobs that may require working with computers. In short, these courses seem to have usually acted as a hobby – something to get people out the house rather than stimulating active labour market reengagement. Nevertheless, successfully completing a course can boost a claimant's confidence.

Most of the reasons that professional stakeholders give for the rise in the number of women claiming incapacity benefits relate to the operation of the labour market and benefit rules rather than ill-health, again suggesting that the rise is predominantly unemployment rather than sickness. This is true of GPs and health professionals as well as labour market managers.

However, ill health is an important component of being able to move onto incapacity benefits in addition to low job prospects. For example *"sometimes people have said you know 'there's no chance of me getting a job now, I've just been made redundant, I may as well go on the sick', and they'll have illnesses, they may for example have hypertension or they might have diabetes, or they might have other illnesses, joint pains or muscular problems or whatever you know that they acquired in the course of a normal lifetime which makes it a certifiable illness, but you could argue that the difference between them finishing their work on one day and then becoming on the sick the next is purely semantic rather than actual"* [Barrow GP].

On the other side of the coin, employers themselves have a role in retaining employees who become ill, as noted by one Jobcentre Plus officer, *"I actually find that the larger employers, like NHS trusts, certainly local councils, somebody goes sick long-term and they're not particularly flexible with looking at retention of employees".* This view is echoed in a number of women's experiences.

**Women claiming incapacity benefits as 'sick'**

The majority of women report substantial ill health or disability that they think would make holding down a job difficult. Common ailments reported among the women interviewed included: arthritis, bad backs, cancers and tumours, depression and anxiety, fibromyalgia (chronic pain), MS, ME, respiratory illnesses and neck and shoulder injuries, often sustained in the course of working in caring professions. For example one women, with a bad back from heavy lifting in a nursing home, when talking about working soon before going off sick described how: *"I only did two nights a week anyway but it was like I'd done both nights by the morning time I was in agony and it was painful walking"* [East Lindsay claimant]. Another with a ruptured bicep started a new job in a call centre after having left her previous office job due to her injury but found *"it was absolutely awful, it was really an awful job…they expected me to be lifting heavy files, and they took me on knowing I couldn't do this because I'd told them about the problem with my arm"* [East Lindsay claimant].

However, many professional stakeholders – including GPs and health professionals – stress the subjectivity of 'ill health' and what constitutes 'incapacitated' for work. What one person considers a major health constraint on their activities may do little to slow down another. Furthermore, health perceptions have changed through time.

People have become more aware of their health and this may have led them to be more likely than in the past to seek medical advice and consequently be diagnosed with a particular illness. Many of the health professionals interviewed thought this was particularly the case for depression and anxiety, with one describing the upward trend in these illnesses as *"the medicalisation of unhappiness"* [DWP Medical Services].

In addition, developments in medical science have improved diagnosis and treatments, meaning more people are being categorised as 'sick'. This is particularly true of depression, for example *"50-60% of normal people experience an episode of severe depression at some point in their life. These people are now categorised as being ill, I think rightly so but the downside to that is they're likely to behave as if they're ill. So what are we doing? Are we as the illness industry creating a lot of ill people who may not previously been categorised as ill at all?"* [Wansbeck GP].

GPs are influential agents in a patient's life, for example *"'the doctor has told me I'll never work again so therefore I'll never work again'. That's a very powerful message coming from a very powerful professional"* [Wansbeck NHS Condition Management Programme]. Improved diagnosis and treatments also apply to many physical conditions with the consequence that *"mortality is reduced but morbidity remains the same"* [Knowsley GP]. Therefore, although the actual prevalence of ill health in the population may have not changed much over recent years, people's perceptions of their health may be that things are actually worse and they are more likely to be diagnosed as 'sick'.

How a particular individual perceives their health/disability may also change through time as a result of changed personal circumstances. For example, an incapacity claimant's assessment of their capabilities may become diluted by assigning themselves to a 'sick role' once they have moved onto IB. Once signed off work by their doctor and subsequently assessed as qualifying for incapacity benefits, their self-image, even identity, can alter. Rather than seeing themselves as physically active and economically independent, claimants seem to come to think of themselves as poorly and incapacitated.

With more time on their hands once no longer working – mostly spent in their home, often alone – claimants can become despondent about their health and employment prospects. Indeed, a number of women interviewed reported experiencing

depression some time after initially becoming physically ill, for example *"it causes depression, it really does because I can't go out of my own home"* [Blackpool claimant]. Some interviewees with chronic pain conditions such as back problems and arthritis reported a heightened awareness of their pain when they were not busy. In addition, a new, more passive lifestyle often results in poorer diet and less physical activity with further real and perceived impacts on health and wellbeing. It is remarkable how many interviewees reported multiple health problems, many having been developed since moving onto incapacity, although some of these additional ailments would have manifest themselves even had the individual remained in employment. Overall, it appears that economic and physical inactivity makes people think of themselves as 'sicker' and, in the long-run, actually sicker than they would be otherwise.

Among those who have taken part in health rehabilitation programmes, pain management and acupuncture are usually reported on very favourably. However, claimants seem to need these treatments continuously, with the benefits receding soon after treatment stops. Most women interviewed had undertaken these programmes to improve their day-to-day quality of life rather than with a view to re-entering employment. Nevertheless, for claimants with significant health problems, medical interventions will often be required – possibly on an ongoing basis for chronic conditions – before labour market re-engagement would be a realistic proposition.

**Assessment**

So, to what extent can women claiming incapacity benefits be characterised as 'hidden unemployed' or as 'sick'? On the one hand, labour market engagement is low and ill health predominates in the self-image of many women, suggesting that these women are 'sick' rather than 'unemployed'. On the other hand, most retain a latent desire to work and at the time their last job came to an end many were less incapacitated than they are now but did not re-enter employment when their health was less of an obstacle, possibly because of a lack of locally available suitable jobs. This points to 'unemployment'.

These considerations point towards many women claiming incapacity benefits being, to varying extents, both *unemployed and sick*

## 'RATIONAL' OR 'DEPENDENT'?

### Women claiming incapacity benefits as 'rational'

A number of stakeholders point towards low wages and seasonal work as making the rewards of employment relatively small, for example *"the wages available locally are terrible. It generally requires someone to work 20 hours a week to make them better off. 16 hours is what we're told to get them into but 20 hours is a realistic number to make them actually better off by £20-30 per week"* [East Lindsey Jobcentre Plus officer].
Nevertheless, most stakeholders indicate that there is a widespread misperception among benefit recipients that moving into low-paid employment would actually make them no better off at all. For example *"awareness of things like Tax Credits and the £40 a week back-to-work credit is quite poor which means sometimes they say '£200 a week job, well I'm getting this benefit and that benefit and I'm getting my rent and Council Tax paid', so they just make a quick calculation that it's not worth it"* [Blackpool Jobcentre Plus].

In contrast, women rarely talk about the benefits/work 'choice' in purely immediate 'better off' financial terms. Rather, they express concerns around a wider set of risks associated with a return to work, mainly that if the job did not work out that they might not be able to reclaim benefits to the value they are currently receiving. For example *"It would be a disaster if I suddenly launched myself into work and it didn't work out, and I'd be back at square one with all the benefits cut off"* [East Lindsay claimant]. This is more pronounced among recipients of multiple benefits, particularly means-tested Housing Benefit and Council Tax Benefit, especially if no-one else in the household is working. Similarly, the seasonal work prevalent in some districts is unappealing to many women because of the risk of not being able to return to the same level of benefits. Although the option to return to benefits within a certain time of moving into employment is available, Jobcentre Plus and employment service providers report that knowledge of this among claimants is low.

Reasons for women fearing they may not remain in employment include a deterioration in their health, an employer not accommodating their health needs, for example avoiding certain tasks or providing time-off for medical appointments, and the variability of some chronic health conditions, meaning they would have a poor

attendance record. For example *“it’s finding employers who will take you when you don’t know how you’ll be from day to day”* [Barrow claimant]. In addition, many women have negative past experiences with employers in this regard when they first became unwell, which serves to heighten these fears.

Claiming incapacity benefits is often the result of a quite rational approach to maintaining household income and financial stability. For example, *“we find that women who have been lone parents, where the children are now of a certain age where they can’t claim the Income Support for that child anymore, they then tend to go onto Incapacity Benefit as a route to still claiming benefit”* [Knowsley employment service provider]. As one Jobcentre Plus officer explained, *“one of the things about the benefits system is not everyone who’s got a health problem claims Incapacity Benefit, there’s a very high percentage of lone parents who claim Income Support that also have a health problem so they could be on either benefit”.*

**Women claiming incapacity benefits as ‘dependent’**

Professional stakeholders, particularly those providing employment placement, job search and retraining services, put a strong emphasis on claimants’ lack of confidence as an obstacle to moving into employment. For example *“confidence is a big issue. Before I was in this job, I thought ‘confidence, yeah, yeah, that’s just an excuse’, but it really lies at the heart of it”* [Barrow, employment service provider].

A lone parent summed up a range of fears associated with returning to work linked to low confidence, not just related to herself but her children as well: *“In a way it’s a big scary thing but the lone parent advisor has assured me that if I get a job and I decide I don’t like it, with me being a single parent for example if I decide I don’t like it, it doesn’t work out financially or my children don’t settle in childcare I can come back on the benefits fast track, and in a way that’s a ‘get out of jail free card’ but really I wouldn’t like to use it, once I get a job I want to be able to take that step and say “yes I’m working”, but it is a little bit scary for me being on benefits for all these years to take that jump and do that big step”* [Wansbeck claimant].

Another interviewee, in a self-aware passage, captured her low confidence and dependence: *“I had a very difficult and stressful childhood and in a way that incapacitated me from an early age, even though my image of myself was someone*

*who could go out there and cope, the reality was as the years have shown I don't really have those kind of resources"* [Hull claimant].

Many women express feeling 'useless' and 'worthless' as a result of claiming incapacity benefits, thus eroding confidence and motivation. For example *"I feel awful because I mean for 27 years I worked and I didn't depend on anybody. I had my own money… so it sort of like really makes you feel worthless"* [Easington claimant] and *"the biggest difficulty is that horrible feeling of feeling useless"* [Hull claimant] and, finally, *"I feel useless because I am. I sit here all day by myself"* [Wansbeck claimant].

Some stakeholders have the opinion that there is a degree of avoidance of work and dependence on benefits, for example *"some lone parents that we engage with are low or no skills so in order for them not to go into the world of employment and have their benefits taken off them they look at other routes [such as incapacity]"* [Knowsley employment service provider]. However, a lack of awareness of what jobs claimants might be able to do acts to lower aspirations. For example *"a major obstacle is not being able to go back to the job they've done before [due to ill health] and not really knowing what would be suitable for them"* [Jobcentre Plus].

Childcare and other caring and domestic responsibilities for their own family and relatives make long-term benefit receipt attractive to some women rather than juggling work and family, for example *"people say well actually this is an easier life, I don't have to worry about rushing home from work to get the kids, or can just relax and get the kids to school"* [Blackpool employment service provider] and *"some of them just don't want to [work]. Some of them will probably think I don't know how I can fit a job around all the other stuff. I do: the shopping on a Monday, visit my aunt on a Tuesday, do my mam's cleaning on a Wednesday"* [Easington employment service provider].

**Better-off calculations**

As a guide to the extent to which remaining on benefits may be an economically rational decision for some women, Tables 4.1 and 4.2 show – for full-time and part-tim employment respectively – the results of applying 'better-off' calculations to women in a range of different household circumstances.

**Table 4.1: Financial incentives to return to *full-time* work by household type**

| Household type | Benefits income (£pa) | In-work income(£pa) | Increase (£) | Increase (%) |
|---|---|---|---|---|
| Single person h/hold | 8,852 | 11,163 | 2,311 | 26.1 |
| Couple h/hold, both inactive, no deps | 11,513 | 15,569 | 4,056 | 35.2 |
| One-earner couple, no deps | 20,202 | 26,959 | 6,757 | 33.4 |
| No partner, other adults | 8,466 | 11,513 | 3,047 | 36.0 |
| Couple h/hold, both inactive, 1 dep | 15,128 | 18,906 | 3,778 | 25.0 |
| Single parent households | 12,467 | 15,743 | 3,276 | 26.3 |
| One-earner couple, with deps | 21,730 | 30,264 | 8,534 | 39.3 |

Source: Authors' calculations using www.entitledto.co.uk

**Table 4.2: Financial incentives to return to *part-time* work by household type**

| Household Type | Benefits income (£pa) | In-work income(£pa) | Increase (£) | Increase (%) |
|---|---|---|---|---|
| Single person h/hold | 8,852 | 10,198 | 1,346 | 15.2 |
| Couple h/hold, both inactive, no deps | 11,513 | 13,281 | 1,768 | 15.4 |
| One-earner couple, no deps | 20,202 | 25,650 | 5,448 | 27.0 |
| No partner, other adults | 8,466 | 10,162 | 1,696 | 20.0 |
| Couple h/hold, both inactive, 1 dep | 15,128 | 20,318 | 5,190 | 34.3 |
| Single parent households | 12,467 | 14,321 | 1,854 | 14.9 |
| One-earner couple, with deps | 21,730 | 25,734 | 4,004 | 18.4 |

Source: Authors' calculations using www.entitledto.co.uk

In each case it is assumed that the woman presently receives the long-term rate of Incapacity Benefit and that on entering employment is paid £13,300 a year (pro-rata in the case of part-time employment) – roughly the average earnings of the bottom 20 per cent in a typical high IB claimant area. In order to determine levels of means-tested benefit, Council Tax payments are assumed to be £700 a year and housing rents £70 a week. The calculations are based on benefit rates and entitlements in mid 2008.

The calculations are purely illustrative, and it needs to be kept in mind that in detail individual household circumstances vary a great deal. The calculations illustrate that the scale of the financial incentive to return to work does depend on household characteristics – the estimated financial gain of a move into full-time employment ranges from 25 to 40 per cent. Overall, however, moving into even relatively low-paid full-time employment would result in a significant financial uplift for most women on IB. Moving into part-time employment (16 hours a week) would in most cases result in a more modest increase in income. This is significant as half the women expressing an interest in returning to work in the survey would prefer part-time hours.

These calculations confirm a point made by several labour market professionals – that just about all women on IB would be financially better off in work, although the financial gain of part-time employment can be modest. Whether this is actually recognised by most of these women is however a moot point. The same labour market professionals often report that women are surprised by the results of calculations of this kind.

**Women claiming incapacity benefits as 'risk averse'**

It is actually more accurate to describe many women not as 'rational' or 'dependent' but as 'risk averse'. They lack confidence and certainty about their health and employability, preferring the financial security that Incapacity Benefit brings and the health stability of being physically and economically inactive. For example *"I don't know how it would affect me if I couldn't do the job and I had to go back on, would I be allowed to go back on incapacity?"* [East Lindsay claimant] and *"I'd have to work part-time and I know they say they can top-up this and top-up that but all I'd do is go into work and make myself ill and I'll be back on incapacity again because I know I can't work full-time, I've tried it"* [Blackpool claimant].

Low awareness of benefit and Tax Credit rules and of the types of work available locally compound these fears. For example *"Financial uncertainty is a major obstacle to people moving off IB. They don't really know how much they would need to earn in order to be much better off, and they don't have a terribly good idea of what wage they might be able to command either, especially those that have been on IB for a*

*while. So to move off, you need to be very sure of what impact it's going to have on your benefit levels"* [Barrow employment service provider].

Similarly, there is a common perception that it will be difficult to return to benefits if a job does not work out. For example *"people tell me all the time, we need to stay where we are because it causes all kinds of problems. It's not necessarily or not specifically just the income replacement benefits like IB but it's much more to do with things like Housing Benefit and Council Tax Benefit which are administered separately. They're part of a different system, they seem to be a lot slower, they don't respond quickly, and people are frightened and once that system stops it's the devil's own jump to get back into it"* [Wansbeck NHS Condition Management Programme officer].

A mistrust of the benefits system also comes into play in relation to risk, with many women expressing reluctance to search for work or take part in retraining through fear that these activities would imply that they are capable of work and therefore no longer entitled to incapacity benefits. For example *"I got a letter saying can you come up to discuss finding part-time work or something and I'm saying 'I can't work' and it gets you stressed out because at first you see I thought it was if you don't go and see about these jobs you might lose your benefits and it's worrying you know"* [Great Yarmouth claimant].

Professional stakeholders share this view of claimants. For example *"there's still a lot of this perception around that if you show anybody that you're interested or considering work then that's going to have an impact on your benefits. Although that went out a long time ago again that's what people think, and especially the older people on IB that have been on it for a while"* [Blackpool employment service provider].

Employers also play a role in relation to risk aversion – low paid, demanding and insecure jobs heighten the risks for someone with poor health entering employment, for example *" if you go and work in Asda it's stacking shelves and you've got to lift boxes and tins, so there's not a lot of opportunity for us [incapacity claimants] really"* [Easington claimant]. For a risk-averse person with poor health and low skills in a difficult labour market, 'dependence' on benefits can be a 'rational' position to take.

## A TYPOLOGY OF WOMEN CLAIMING INCAPACITY BENEFITS

### A typology

Women on incapacity benefits can be characterised as falling into one of four groups on the basis of, firstly, their level of ill-health and, secondly, their level of labour market engagement. The typology is set out in Table 4.3.

**Table 4.3: A typology of women claiming incapacity benefits**

| | | **Level of sickness or disability** | |
|---|---|---|---|
| | | **Low** (hidden unemployed) | **High** (more severely sick or disabled) |
| **Level of labour market engagement** | **High** (engaged) | *Disadvantaged workers* | *Incapacitated workers* |
| | **Low** (dependent) | *Discouraged workers* | *Excluded* |

The boundaries between the four categories are not always clear-cut. The in-depth interviews indicate that some claimants display elements of more than one category and transitions through time add a further complication. Nevertheless, the typology provides a useful device through which to understand the individual circumstances of women claiming incapacity benefits.

First, there is a group of incapacity claimants with less severe ill-health or disability who are keen to work in that they either want a job now or might like a job in the future. Some of this group are engaged in job search or retraining but face barriers to work in terms of skills, age or ill health. Although keen to work, individuals in this group have usually come to claim benefits on the grounds of ill health – quite legitimately – because they are unable to find a job that would accommodate their health problems. Typically low skilled and previously employed in manual work, the combination of poor health and the prospect of low pay can make employment difficult for this group. This category can be labelled '*disadvantaged workers*'.

Others who share the same, less severe ill-health or disability are *not* keen to work, for example due to perceived obstacles such as a lack of suitable jobs and employers who are unable or unwilling to accommodate disability. This category can be labelled '*discouraged workers'.*

Often women (and men) start out as 'disadvantaged workers' when they first claim incapacity benefits and through time become 'discouraged workers' due to difficulty finding work or completing retraining courses. Indeed, many of the women interviewed indicated that they were initially optimistic about returning to work soon after they first became sick but now were resigned to life on benefits. Others may immediately enter the 'discouraged worker' category when they first claim incapacity benefits, especially if they have already been out of work for a while, for example if they have had a spell on JSA prior to their incapacity claim or if they are a lone parent moving off Income Support.

Together, these two groups – the 'disadvantaged' and 'discouraged' - constitute the 'hidden unemployed', i.e. those who could reasonably be expected to have been in work in a genuinely fully employed economy.

Differing levels of labour market engagement can also be found among claimants with more severe sickness or disability. Those with continuing labour market engagement are usually those who anticipate that their sickness or disability will be temporary or hope to overcome the difficulties imposed by their impairment. They therefore anticipate a return to work at some point in the future. This group can be labelled *'incapacitated workers'*.

Many in this group are engaged in health rehabilitation and/or are considering alternative careers to the one in which they previously worked. Individuals who maintain labour market engagement tend to be higher skilled. They see greater job opportunities – for example because they are relatively young or because they possess particular skills – but they also see themselves as currently unfit for work because of disability or ill health. Although not usually looking for work, their identity remains that of 'worker', albeit temporarily incapacitated.

The fourth and final group of claimants are those whose health problems or disabilities are more severe and have given up on the idea of working again. This group can be labelled *'excluded'*.

Together, the 'incapacitated workers' and the 'excluded' constitute a group of people facing formidable health or disability barriers to employment and, as such, they would most likely be out of work even in a fully employed labour market.

Exactly where a given individual sits within this typology is not fixed for all time. As with those with less severe ill health or disability, individuals with greater health problems or disabilities may shift. Some may see improvements in their health but find it difficult to secure employment, thus moving into the 'discouraged workers' category. Some in the 'incapacitated' category are likely to drift towards the 'excluded' category as failure to re-enter employment erodes their aspirations to work again. As well as movement of individuals from top to bottom in the typology, there is also movement through time from left to right as people become more 'sick' the longer they have been on incapacity benefits and out of work.

### Quantifying the typology

In Tables 4.4 and 4.5, the numbers of male and female IB claimants falling into each category have been estimated, in this instance for 2008. At that time a total of 1.1 million women and 1.5 million men claimed incapacity benefits. All the figures in the tables are rounded to the nearest 50,000 to reflect the relative imprecision of the exercise.

**Table 4.4: Classification of women claiming incapacity benefits, GB, 2008**

| | | **Level of sickness or disability** | |
|---|---|---|---|
| | | **Low** (hidden unemployed) | **High** (more severely sick or disabled) |
| **Level of labour market engagement** | **High** (engaged) | **200,000 (18%)** *disadvantaged workers* | **100,000 (9%)** *incapacitated workers* |
| | **Low** (dependent) | **250,000 (23%)** *discouraged workers* | **550,000 (50%)** *excluded* |
| **TOTAL** | | **450,000 (41%)** | **650,000 (59%)** |

**Table 4.5: Classification of men claiming incapacity benefits, GB, 2008**

| | | Level of sickness or disability | |
|---|---|---|---|
| | | **Low** (hidden unemployed) | **High** (more severely sick or disabled) |
| **Level of labour market engagement** | **High** (engaged) | **250,000 (17%)** *disadvantaged workers* | **150,000 (10%)** *incapacitated workers* |
| | **Low** (dependent) | **300,000 (20%)** *discouraged workers* | **800,000 (53%)** *excluded* |
| **TOTAL** | | **550,000 (37%)** | **950,000 (63%)** |

The estimates are calculated as follows. First, the number of women who can be considered 'hidden unemployed' was taken from the figures presented earlier (see Table 2.12). The male hidden unemployed figure used here has been calculated in the same way as for women. Second, the number with 'high labour market engagement' is based on the proportion of Strand 2 survey respondents who say they would like a job or might like a job in future. Third, the specific group of 'disadvantaged workers' is estimated as being the share of those with labour market attachment who, in the survey, said they had 'some' or 'no' health limitation on what work they could do, plus half those with 'a lot' of limitation. With this specific group estimated, the 'column' and 'row' totals allow the remaining groups to be quantified by simple arithmetic.

A key feature is that for both men and women, around half of all IB claimants are estimated to fall into the 'excluded' category. The smallest numbers are in the 'incapacitated' category.

## WHAT WOULD HELP CLAIMANTS RETURN TO WORK?

### The range of obstacles to employment

Many of the women claiming incapacity benefits report not just specific health problems but often multiple health issues (including depression), low skills, lack of

confidence, caring responsibilities and poor access to transport. As well as these factors giving rise to a generally difficult home life, experiences of managing ill health in their previous job often resulted in a difficult work life, sometimes including bullying from managers. This underlines the scale of support and intervention that is required to move a woman (or a man) from incapacity benefits into employment.

The attitudes of employers towards people on incapacity benefits are also important: *"I've applied countless times to our local supermarket when I've seen a job come up but I've never even got an interview"* [East Lindsay claimant]. The nature of employers can be problematic for people with health issues, particularly mental health issues. For example *"you look at companies who have opened up call centres here and they've found it enormously difficult to keep good work attendance. I see both sides of it because I've seen people who have worked there [in a junior position] and I've seen people who have managed there [i.e. worked in a management position] and they are tearing their hair out because they can't get decent attendance and the people who work there tell us that they're just bullies"* [Barrow GP].

While the emphasis among employment intermediaries and voluntary sector service providers on raising confidence and awareness is entirely appropriate, few of the women claiming incapacity benefits could realistically expect to secure and retain employment after a short programme of confidence building and job search skills. Most require sustained one-to-one mentoring to gradually alter their perception of themselves as dependent, to build confidence, attain new skills, find creative solutions to overcome health problems, raise awareness of jobs available locally and, in some cases, retrain.

Some of the women claiming incapacity benefits view a degree of compulsion as beneficial. For example *"you do get a slight twig in the back of your head 'well should I really go out and bust my backside to earn money when I could sit at home and do it?'. And I think you've sometimes got to be pushed"* [Easington claimant]. On the other hand, claimants need to want to come off benefits if they are to enter sustainable employment.

Often boredom provides a trigger. For example, *"I'm vegetating, I'm sitting here watching daytime TV and thinking my life is slipping me by. I turned 40 in May and I thought, something went off in there and I thought 'I've got to do something, I'm sitting here all day on my own and I could be doing something', so it was something*

*that triggered off in my head"* [Easington claimant]. Jobcentre Plus staff also identify boredom as a frequent trigger to people wanting to move off incapacity benefits back into work. Interventions that encourage people to raise their aspirations may lead to this 'anti-boredom' switch flicking for some claimants.

**The need for targeting**

The majority of women on incapacity benefits do however have little interest in returning to work, and a great many face formidable obstacles resulting from ill-health, low skills, low confidence, risk aversion and living in a difficult local labour market. This is evidenced by the reported low responses to advertising of local schemes to help claimants back to work. For example *"we put maybe a thousand fliers through doors every week and we might get one or two people come in as a result…so it's phenomenally difficult to engage and I think in order to engage the person themself has got to go through some kind of trigger…all the offers through the door and all the offers at the GP surgery won't make any difference if your mindset is you're too frightened to come off incapacity"* [Easington employment service provider].

Despite daunting obstacles to employment faced by many women claiming incapacity benefits, between a quarter and a third of the women in the Strand 2 survey said they would like a job now or might like a job in the future. Many of these face less severe barriers to employment. It is women such as these that offer the greatest potential to re-enter employment. However, many of the women interviewed at length in Strand 3 expressed concern at engaging with job search or retraining for fear of these activities implying that they are capable of work and therefore no longer entitled to incapacity benefits. Fears such as these are fuelled by a lack of trust in Jobcentre Plus, which is usually seen as an enforcement agency rather than providing support and acting in a claimant's own best interests.

Many reported feeling 'like a criminal' or 'guilty until proven innocent'. For example, *"it's a horrible feeling; you feel like a dosser, it's embarrassing. When you see the [DWP] doctor, you feel like they are trying to make you go back to work"* [Barrow claimant] and *"It [the PCA] is horrible. Absolutely horrible. It upsets you. It makes you feel like a cheat, like you're being made to beg for it. But I don't want… I don't want to be written off with a long-term sick note…[sobs]"* [Barrow claimant].

Some found the PCA upsetting, particularly recounting personal medical problems to someone who they felt, unlike their own GP, may not have their best interests at heart. These views were not only expressed by claimants but by a GP: *"I have had problems with a couple of patients who were really just too poorly and who have had to cope with going for the assessment and everything, so in general it's good [that claimants are subject to rigorous tests of their capability to work] but there are some people that I think they've been overzealous with"* [Barrow GP].

However, many other women report no problem with the Personal Capability Assessment. They recognise the need for checks and even welcome a degree of 'activation' measures. For example *"It [measures to move people back into employment] is a good idea, if it's done in the right way"* [Barrow claimant]. However, it is clear that in general insensitive medical assessments have the potential to alienate claimants, which may in turn contribute to their disengagement from the labour market.

Similarly, careful targeting is required in certifying people as 'sick' in the first instance. GPs can sometimes find themselves in a difficult position when patients express the view that they are unable to carry out their job due to ailments that are difficult to objectively measure, such as feelings of depression, chronic fatigue or chronic pain. Given their duty of care to patients, GPs have little choice but to provide a sick note in these situations.

**Households and gender**

Although some service providers report women being more open-minded than men about alternative occupations, this may be countered by some women being discouraged by partners from re-entering employment. This was reported by a number of women and by some of the professional stakeholders.

The issue can be a husband's concern for his wife's health, or for traditional gender relations in the home. For example *"[a woman considering going to work] upsets the family, it upsets the family equilibrium and we have had incidences where we have set up things for people and the family's pulled them back in because they don't want them to. They're looked after; they don't want them to be working nine to five and the*

*tea not to be on the table anymore"* [Easington employment service provider] and *"women are seen as the secondary wage earner in households, so they are more reluctant to engage with the labour market"* [Barrow Jobcentre Plus]. In addition, some women have concerns that moving from incapacity benefit into employment may reduce the household's eligibility for mean-tested benefits, particularly Council Tax Benefit and Housing Benefit.

Some women claiming incapacity benefits also have caring responsibilities for other family members, more so than their male counterparts. One stakeholder expressed the view that carers often see incapacity benefits as a suitable source of income to help support the family as a whole, *"women with childcare responsibilities or caring responsibilities in the home will have found out through various methods of communication locally that there is a way of bringing some income into the home by claiming incapacity benefits….so it's as if the women haven't done if for themselves, they haven't gone onto incapacity to get money for themselves"* [Easington employment service provider].

One woman explained the difficulties having a job would entail while dealing with her son with Asperger's Syndrome: *"my lad was having fits everyday and then he started to have headaches and I used to get phone calls from the school, 'your son's got a headache can you come and fetch him?' or 'he's had a fit at school can you come and fetch him?'… I wouldn't find a job that's going to keep letting me run out of work to go to the hospital because he's had a fit"* [Hull claimant].

Another in East Lindsey recounted difficulties looking after her children and household due to her ill-health, suggesting that employment would prove untenable: *"the difficulty for me is that anything I do outside the home basically takes a lot of energy from me because everything I do takes a lot of energy. I can't multitask and I have processing problems so I function slower and less efficiently than most people….so obviously I'm putting a lot of my energy into trying to keep my home in one piece. The kids are wearing their school uniforms this morning, they had their breakfast, they got to school, you know so get the priorities right but I'm only really doing the surface layer…but I can't do that and have a tidy home and go to college or work, that takes up so much more of my energy and resources than it might for someone else, so I can't see that changing a lot until the kids are older"* [East Lindsey claimant].

For some women on incapacity benefits, domestic and caring responsibilities can give structure to daily routines that gets them out the house, such as taking children to and from school, shopping and helping relatives with housework. These gendered roles can become expected of women by other family members, particularly in parts of the country where traditional gender roles perhaps retain stronger cultural significance than in others, making it more difficult for women to alter these roles by taking a job.

# 5. CONCLUSIONS

Since the late 1970s there has been a very large increase in the number of women of working age claiming incapacity benefits. Initially this increase lagged behind men, but the point has been reached where there are now almost as many under-60 year old women as men on incapacity benefits. What the figures show is that the increase has been highly unevenly spread around the country: the female IB claimant rate is far higher in the older industrial areas of the North, Scotland and Wales than in most of the south of England. Indeed, the female IB claimant rate is highest in precisely the same areas that the male rate is highest.

## The statistical evidence

The evidence from Strand 1 of the research, looking at secondary data, shows that a number of *national* trends either point to *fewer* IB claims among women or seem unable to account for more than at best a modest proportion of the overall increase:

- Since the 1970s the number of women in employment has risen strongly, in contrast to the experience among men, which makes it difficult to explain the rise in female IB numbers in terms of closures and redundancies.

- The increase in labour force participation by women widens eligibility for Incapacity Benefit, but the increase in participation by women has been far slower than the increase in the number of incapacity claims.

- The proportion of women in workless households, which would encourage benefit claims, has not risen markedly or consistently.

- There has been a big long-term increase in the number of women who are lone parents, which would also encourage benefit claims, but only around a fifth of female IB claimants are lone parents.

- The ageing of the female working age population, which would tend to increase IB claims since claimants are skewed towards the older age groups, is insufficient to account for more than a small increase in incapacity claims.

- There is little evidence of a long-term deterioration in the health of the male or female working age population.

The *local and regional* data, by contrast, seems to offer greater insights. There is evidence here, from regression analysis, that the local increase in female labour supply matters: the larger the initial potential increase in female labour supply, the greater the subsequent increase in female IB claims. There is also evidence that the strength of the sub-regional labour market matters: the stronger the wider local labour market, the smaller the rise in female IB claims.

Crucially, the local data establishes a link between the male and female sides of the labour market, and thereby offers an important explanation for the concentration of male and female IB claimants in the same places. The larger the job loss and unemployment among men, the greater the local increase in female IB claims. Men seem to be taking jobs that once would have gone to women. A proportion of the displaced women then end up claiming incapacity benefits. The national data provides corroborating evidence: at the industry level: the distinction between 'male' and 'female' jobs is becoming more blurred through time.

This is an explanation that roots the largest part of the increase in female IB claims in the demand for labour. Where the labour market is strong – where there are plenty of jobs to absorb the increase in female labour supply, and where there has been little destruction of male jobs to create a competing labour supply – relatively few women find their way onto incapacity benefits. For more than a decade up to 2008 this situation characterised much of southern England. By contrast, the labour market for women has consistently been more difficult in the older industrial areas of the North, Scotland and Wales, not least because the male job destruction of the 1980s and early 1990s created an alternative and competing source of labour supply. Estimates of hidden unemployment among women on incapacity benefits suggest

that approaching half a million could reasonably have been expected to be in work in a genuinely fully employed economy.

Putting this hidden unemployment alongside estimates of the smaller-scale increases in female IB numbers attributable to other national trends and processes begins to account for the overall increase. Since the early 1980s, the total number of working-age women claiming incapacity benefits in Great Britain has risen by around 750,000, from around 350,000 to nearly 1.1m. Four factors would seem account for the increase:

- **430,000 hidden unemployed.** These are the women who could have been expected to be in work in a genuinely fully employed economy.

- **125,000 arising from higher labour force participation.** This is the increase in IB claims commensurate with women's growing involvement in the labour market.

- **35,000 arising from an ageing population.** IB claimants tend to be older, and the female working age population has been ageing.

- **125,000 arising from the diversion of lone parents from Income Support.** These are the women who claim IB rather than IS, sometimes at or near the point where their entitlement to IS comes to an end.

These four groups add up to an additional 715,000 claimants – almost the full scale of the national increase in IB claims among women since the early 1980s. The figures are each derived by separate calculations, explained in section 2 of the report, and the periods on which each calculation is based are not precisely the same. In addition, the 'hidden unemployment' group conflates the impact of a number of specific processes, including the effect of competition for jobs from men. The figures are therefore intended to be indicative rather than precise, and at the edges there is the possibility of overlap. They do however reflect a wide range of available evidence.

**The survey evidence**

The central point to emerge from Strand 2 of the research – the survey of incapacity claimants - is the striking similarity between the women who claim incapacity benefits and their male counterparts. Stripping out the cohort of 60-64 year old men on IB for which there is no comparable group among women, the similarity applies to:

- Age profile
- Duration on incapacity benefits
- Share with no formal qualifications
- Time since last regular paid job
- Nature of previous (mainly manual) work experience
- Reasons for job loss – especially the role of ill health
- Nature and severity of health problems
- Share who would like a job now or in the future
- Reasons for not wanting a job
- Perceived obstacles to employment

In short, the survey data tells us that the men and women who claim incapacity benefits occupy the same segment of the labour market and, on the whole, that this is a bottom-end segment as well. The data shows clearly that for both men and women the IB numbers have become dominated by the less healthy, the less skilled and (at least to some extent) the least motivated.

The low proportion of IB claimants who express an interest in working, now or in the future – just 29 per cent of the women on IB according to the survey - does not contradict the idea that there is extensive hidden unemployment. Ill health or disability is only rarely an absolute obstacle to employment, and many of the women (and men) who claim incapacity benefits, especially in the areas where the claimant rate is high, would almost certainly have been in work in a genuinely fully employed economy. The very low IB claimant rates in parts of southern England show very clearly what is possible where the local economy is strong enough for long enough. That so many IB claimants, male and female, have detached themselves from the labour market in places like older industrial Britain is to an important extent a response to the labour market circumstances they face. If there is little prospect of finding a satisfactory job, there is little point in looking.

**The qualitative evidence**

In-depth interviews, in Strand 3 of the research, reveal surprisingly little evidence of cultural acceptance of being 'on the sick', even in areas with high a level of incapacity claims. Nor do women's experiences of claiming incapacity benefits support the view that there is heightened awareness among the general population of incapacity benefits in areas of high claims. Most women interviewed had virtually no knowledge of the incapacity system prior to claiming. GPs and benefit officers reportedly encouraged claims until the mid to late 1990s but both sets of professionals now encourage people to remain in or move towards employment whenever possible.

There are considerable subjectivities around what constitutes being 'incapacitated for work' and perceptions vary between individuals. The self-image of many women on incapacity benefits appears to change through time, from being a 'worker' to being 'sick'. The most accurate representation is that many women claiming incapacity benefits are actually both *unemployed and sick*, but to varying degrees depending on local labour market conditions and their skills, confidence, household position and, of course, their health or disability.

Equally, rather than being either 'rational' or 'dependent' in claiming incapacity benefits, the in-depth interviews show that most women on IB are better described as 'risk averse'. To a woman who is risk-averse, dependency is a rational choice because entering employment risks their health and their financial stability if a job does not work out. Professional stakeholders such as Jobcentre Plus staff tend to talk in terms of low labour market engagement, low motivation and low confidence. Although these issues are apparent in a lot of what many women say, a wider set of issues relating to risk clearly underpins their behaviour.

**A narrative**

So why do so many women now claim incapacity benefits, and why are they concentrated in the same places as men on IB?

The starting point has to be the underlying weakness of the local economy in the areas – principally older industrial Britain - where IB claimants are concentrated. These areas were all, to a greater or lesser extent, badly affected by job losses in the

1980s and early 1990s. The long economic recovery from the mid 1990s onwards helped plug the gap, but never completely. In these circumstances there have never been quite enough jobs – especially reasonably well-paid jobs – to go around. With a continuing imbalance in the local labour market, with the local demand for labour still running behind the potential local labour supply, it was therefore inevitable that some individuals would be squeezed out.

In a competitive labour market it is those who are least able, or least willing, to keep a foothold in the local labour market that will nearly always be marginalized. These are typically the poorly-qualified, low-skill manual worker in poor health, whose alternative would at best be unrewarding work at or close to the national minimum wage.

For the men and women excluded from employment in this way, Incapacity Benefit offers a more satisfactory way forward than Jobseeker's Allowance. In most circumstances Incapacity Benefit is more generous and there is no requirement to look for work – work that anyway may be unattractive, low-paid and (bearing in mind issues of age, health and poor qualifications) difficult to obtain. Those who are excluded from employment and have health problems or disabilities will normally be entitled to IB and will almost always therefore claim IB in preference to JSA.

Added to this, the effect of lengthening durations on incapacity benefits saps the enthusiasm of many to re-engage with the labour market. Long-term IB claimants adjust their lifestyle and aspirations to fit with the diminished job opportunities they perceive as available to them, lowering their standards of consumption to fit with on-going benefit dependency. Their 'fitness to work' often declines as despondency sets in and disabilities worsen with age. An initial willingness to consider new employment is thus gradually replaced by a complete detachment from the world of work, rationalised in terms of largely insurmountable health obstacles.

None of this is intended to suggest that the heath problems and disabilities affecting the women (and men) who claim IB are anything less than real, or that the older industrial areas where IB claimant rates are highest do not have higher underlying levels of ill health. What seems to be happening is that in areas where there is a surplus of labour, employers have less incentive to hold on to staff in poor health, for example by moving them on to lighter duties. In these places staff can always be replaced, so the individual may be less likely to be supported in trying to maintain

their job. Equally, once an individual has lost their job because of ill health or disability, in a difficult local labour market they are less likely to find a way back into work. Employers have the option of taking on the fit and healthy instead – and the men and women on IB know that is how the labour market works. In a weaker labour market, even a modest degree of ill health or disability is likely to prejudice an individual's chances of gaining and holding down employment. Bear in mind too that given the low-skill, manual background of so many IB claimants, the jobs for which they might compete often require a degree of physical robustness and a mental resilience to cope with mundane and repetitive tasks.

So even though ill health or disability is rarely an absolute obstacle to all employment in all circumstances, even in the eyes of IB claimants themselves, in practice even modest incapacities can prove to be a formidable obstacle, especially if an individual has no special qualifications or training to offer. Bearing in mind their official status as an 'Incapacity Benefit claimant', it is perhaps hardly surprising that for many individuals their health or disability therefore becomes part of their identity and, in their view, an explanation for their exclusion from the labour market.

A key observation in explaining the high level of incapacity claims among women is the similarity between male and female IB claimants. These men and women not only live in the same places, but they occupy the same labour market position. If they were to look for work, they would often be competing for essentially the same jobs. Forecourt attendants, bar staff, shelf-stackers, kitchen assistants, call centre workers, cashiers, drivers, postal workers, factory operatives, sales assistants and many other jobs no longer have exclusively 'male' or 'female' tags (and perhaps never did so). A job vacancy in any of these occupations – and many more – is these days likely to attract applicants of either sex. Even occupations like nursing and hairdressing are no longer as overwhelmingly 'female' as perhaps a generation ago.

The consequence is that job loss among men (from coalmines or heavy industry for example) has through normal competitive pressures in the labour market, eventually been transmitted to the labour market for women in the same areas. The ex-miners, ex-steelworkers and ex-shipyard may not themselves have competed for jobs traditionally held by women, but their sons have often had little choice. Men and women to a large extent compete for the same jobs in the same places, and if there are not enough jobs to go around it is women as much as men that are now

squeezed out. Age, skills, experience, health and motivation will typically be discriminatory factors that determine exactly which individuals lose out.

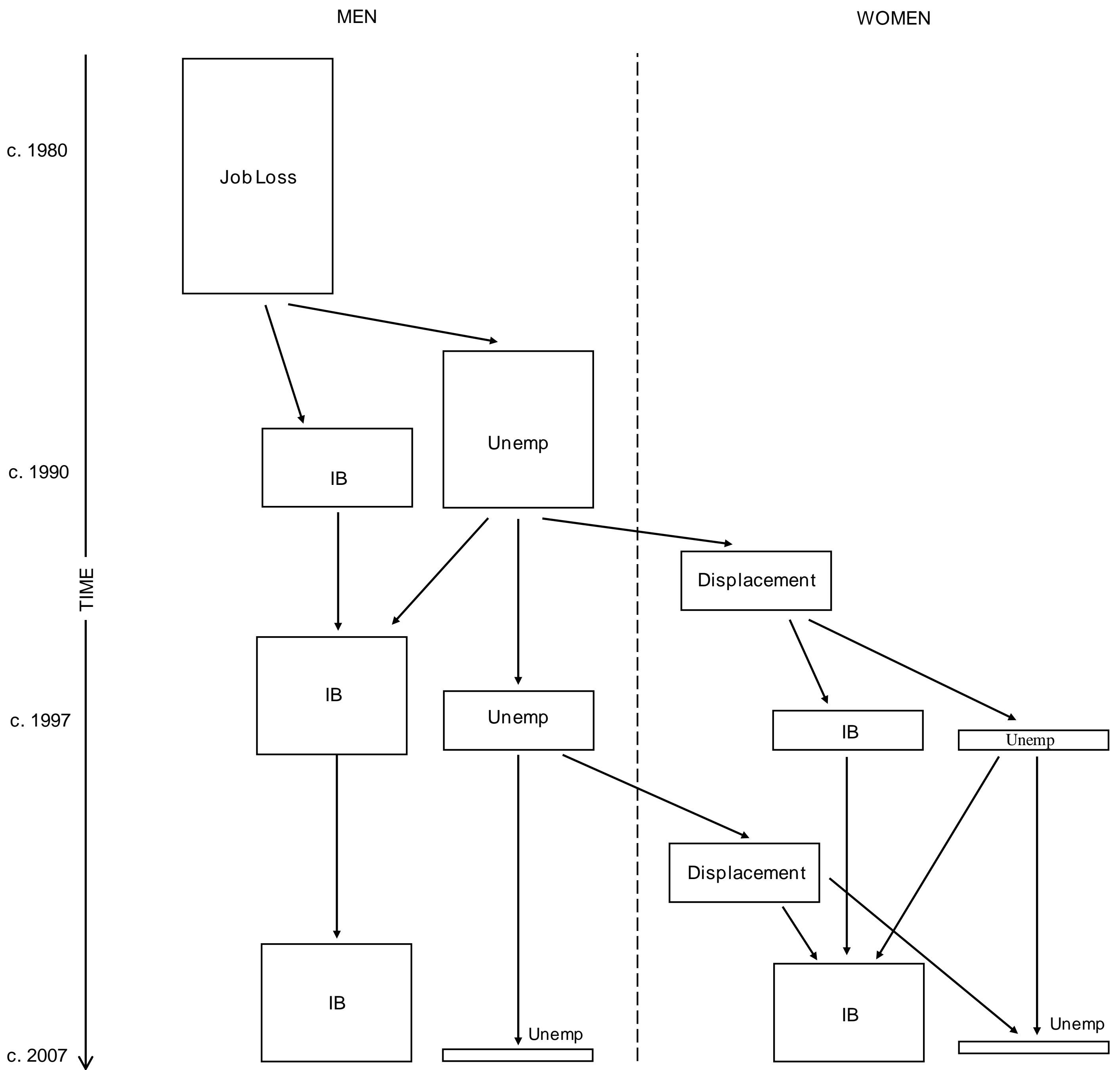
A job shortfall for men has therefore been transmitted not only to higher male IB numbers but, with a lag, to higher female IB numbers in the same place as well.

Figure 5.1 illustrates this process in the context of Britain's older industrial areas. The starting point is the very large industrial job losses, primarily affecting men, that occurred in the 1980s. The first impact of that job loss was on men themselves, and in particular on conventional, claimant unemployment among men, though the number claiming incapacity benefits also rose as newly redundant men with health problems moved onto IB. The shift towards incapacity benefits subsequently intensified as normal competition for jobs increasingly marginalized those in poor health, so that by the mid 1990s an increase in male IB numbers rather than male unemployment emerged as the main effect of the job loss.

With a lag, the displacement of women in work by men also started. The diagram shows a displacement of women by a diversion from male claimant unemployment. In practice it will not always have been unemployed men who took these 'female' jobs – some will have been school-leavers for example – but the net effect is to reduce male joblessness. The displacement of women in turn led to rising incapacity claims and rising unemployment claims. Eventually, the combination of the displacement of women by men, and the impact of the shift towards incapacity benefits, leads to a situation where almost the full impact of the job loss among men is reflected in higher incapacity claims, among both men and women.

The model is of course a simplification, and in practice other economic changes have occurred simultaneously – the trade cycle, local economic regeneration, and rising female labour force participation for example. The 'timeline' on the left-hand side of the diagram is also meant to be approximate. However, it is striking that the model does describe the broad trajectory of labour market change in many of Britain's older industrial areas, in particular the trends in unemployment and incapacity among both men and women, including the somewhat later timing of the rise in incapacity claims among women. The model also explains why men and women on incapacity benefits are largely found in the same places.

**Figure 5.1: The transmission of joblessness from men to women in older industrial Britain**



**Policy implications**

Much of the evidence presented in this report places the *demand for labour* centre-stage in explaining the rise in incapacity claims among women and in explaining their concentration in particular parts of the country. What this implies is that the best way to secure major reductions in the number of women claiming incapacity benefits is to ensure that there are plenty of jobs. The new jobs also need to be concentrated in the areas where IB claimants themselves are concentrated – typically the older industrial areas of the North, Scotland and Wales. This requires national economic growth, and sustained regional and local economic regeneration.

At a time of recession, falls in the demand for labour are instead likely to compound the problem. However, there is perhaps something to be gained from taking the long view. It took at least twenty years for IB numbers to reach peak levels in around 2003-04, and bringing them down again is likely to be a long-term task. There is at least some reason to take heart. The evidence from large parts of southern England shows unequivocally that where the economy has been strong enough for long enough, substantial numbers of men and women do not end up parked on incapacity benefits. Also, the final stage of the long economic boom did begin to erode IB numbers with some of the largest reductions occurring in the places where IB claimant rates were highest.

Policymakers should be clear that in the absence of additional jobs, a reduction in IB numbers (resulting for example from tougher medical tests and the new conditionality of Employment and Support Allowance) is simply likely to raise claimant unemployment numbers or push women (and men) out of the benefits system altogether.

*Supply-side measures* do however still have a role to play. The evidence presented in the report underlines the extent of labour market detachment among the women who claim incapacity benefits. This is often a result not only of ill health or disability but also of a lack of formal qualifications and other factors that place them in a weak labour market position. What this means is that even if additional jobs were available in the right places, many of the women (and men) already on IB will not automatically re-engage with the labour market.

Their re-engagement requires sustained support – training, confidence building, guidance and financial advice. In particular, physical and mental rehabilitation is an essential part of the package. The evidence shows that many IB claimants are both 'unemployed' and 'sick', but only around a quarter say they 'can't do any work'. For most IB claimants the issues are how much work they are able to undertake, and of what type.

The central thrust of government policy since the onset of recession in the autumn of 2008 has been to support demand in the economy and thereby protect jobs. This can only be good news for incapacity numbers, though in the short-run the additional competition for jobs from newly unemployed men and women will make it more difficult to sustain a reduction in the headline IB totals. Other things being equal, employers are likely to prefer a healthy worker with recent work experience to a less healthy worker on Incapacity Benefit who has been out-of-work for several years.

The government's welfare reforms are firmly focussed on the supply-side of the labour market.

- In April 2008 the Pathways to Work initiative was finally rolled out to cover the whole of Britain. Under Pathways, the majority of new incapacity claimants are required to attend a series of work-focussed interviews during the early months of their claim. They may then be routed, on a voluntary basis, to training schemes or physical or mental rehabilitation.

- In October 2008 Employment and Support Allowance (ESA) replaced Incapacity Benefit for new claimants. This introduces a tougher medical test and new payment rates. For example, new claimants are only paid at the appropriate JSA rate until they have been through the test. ESA also distinguishes between the most severely ill – for whom no further strings are attached – and the rest.

- Legislation passing through Parliament in spring 2009 introduces 'conditionality' for all but the most severely ill ESA claimants. Each claimant will have to sign up to activities designed to progress them towards work (training, rehabilitation or voluntary work for example) and failure to act on the agreed plan will lead to possible benefit sanctions. The number of work-

focussed interviews will also be increased, to cover at least the first two years of a claim.

- Under the same legislation, all existing IB claimants will gradually be moved across to ESA by 2013. That means they will be called in for the new medical assessment, and if they remain on benefit they will also have to attend a specified number of work-focussed interviews.

The evidence in this report shows that the government is right to concentrate much of its efforts (including Pathways) on *new* claimants. A much higher proportion of new claimants express a desire to return to work, and since they have been out of the labour market for shorter periods their chances of finding work are generally higher.

Whether it makes sense to extend the reforms to include all *existing* claimants must be questioned, especially in the areas where there are exceptionally large numbers of IB claimants, many of whom have been on benefit for a very long time. The distress that is likely to be caused by new medical tests and compulsory work-focussed interviews is considerable. Many long-term IB claimants will argue, quite correctly, that their age, poor health, poor skills and long period out of the labour market render their chances of finding work virtually nil, especially at a time of recession.

There is therefore a likelihood, so far as most existing IB claimants are concerned, that the Department for Work and Pensions will expend much time, effort and money for little obvious return. Better, perhaps, to target younger existing IB claimants - say under 40 years old - and to engage with the rest on a *voluntary* basis than to require all but the most severely ill to jump through new hoops.

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