



BRIEFING PAPER

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Work experience schemes

By Aliyah Dar

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A photograph of a bright green sign for 'job centre plus' mounted on a brick wall. The sign is tilted and features the text 'job centre plus' in a bold, sans-serif font. 'job' is in white, 'centre' is in yellow, and 'plus' is in white.

*job
centre
plus*

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Summary

The Government has introduced a number of schemes involving work experience placements, as part of its wider welfare-to-work policies.

Work Experience, the largest of the programmes, involves placements of between two and eight weeks and it targeted at 18-24 year olds. Participants on the scheme do not receive a wage but continue to receive benefits and must continue to look for permanent work. Participation on the scheme is voluntary.

Mandatory Work Activity comprises work placements lasting for four weeks, for up to 30 hours per week. Jobcentre Plus advisers can refer claimants to the scheme where the claimant may benefit from establishing disciplines associated with employment. Benefit sanctions may be imposed on those who fail to participate.

Other programmes involving work placements include the Work Programme and sector-based work academies.

Also summarised in this note are evaluations of previous work experience programmes in the UK and some international case studies.

1. Current work experience schemes

A summary of the work experience schemes currently running across Great Britain is provided below.

1.1 Work Experience

The Work Experience scheme is targeted at 18-24 year olds who have little or no experience of work. Young people can participate in the scheme after they have been claiming Jobseeker's Allowance (JSA) for three months but before they join the Government's main welfare-to-work scheme, the Work Programme (typically after claiming for nine months). Entry on to the scheme is voluntary and individuals can choose to leave the placement before it is complete.

Work experience placements last between two and eight weeks and for between 25 and 30 hours a week. Some participants may have their placement extended by up to four weeks if an employer offers to take them onto an Apprenticeship. The scheme is administered by Jobcentre Plus, which matches individuals with suitable placements. Participants on the scheme do not receive a wage but continue to receive benefits and must continue to look for permanent work. Jobcentre Plus will cover travel and childcare costs if required.

The scheme began in January 2011 and has, since April 2012, formed part of the Government's [Youth Contract](#) (see section 1.2). From April 2013, work experience places are guaranteed to claimants aged 18-24 only but older claimants may still be offered places where there is local availability. The scheme operates across Great Britain.¹

Changes to the scheme

Entry to the scheme has always been voluntary. However, from its inception in January 2011 until 29 February 2012 the scheme became compulsory once the individual began the second week of their work placement:²

[...] once a placement has been agreed upon, attendance will become mandatory (except for the one-week probationary period) and will be subject to sanction for non-attendance.

The threat of benefit sanctions was criticised by campaigners against the scheme and led to some businesses dropping out.³ Following a meeting on 29 February 2012 between the then Employment Minister, Chris Grayling, and a number of businesses and charities who had signed up to the scheme, the Department for Work and Pensions (DWP) announced that those on a placement would be able to leave the

¹ DWP, [Pre-work Programme: Get Britain Working official statistics, August 2013](#), 21 August 2013

² DWP, [Work Experience Equality Impact Assessment, January 2011, p5 para 16](#) [accessed 13 July 2012]

³ For example see: Polly Toynbee, "[Protest really does work – just look at Tesco and workfare](#)", Guardian online, 22 Feb 2012; BBC News online, "[Burger King leaves work experience scheme for jobless](#)", 25 Feb 2012

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scheme at any time without the threat of benefit sanctions.⁴ Sanctions may still be applied to participants dismissed by employers for gross misconduct.⁵

Statistics

There have been 300,290 starts on work experience placements between January 2011 and Nov 2014.⁶

The Government expected there be around 350,000 Work Experience places in total from January 2011 until March 2015, with around 100,000 a year for the three years 2012/13 to 2014/15.⁷

Statistics are released for parliamentary constituencies and local authorities with the [official youth contract statistics](#).⁸

1.2 Youth Contract

Announced in November 2011 and introduced in April 2012, this is the umbrella title for a series of measures designed to support young people into work. The measures include the Work Experience scheme (outlined above), a wage subsidy scheme and an apprenticeship incentive scheme. The Government expects the Youth Contract to “provide nearly half a million new opportunities for young people” and cost £1 billion over three years from 2012/13 to 2014/15. More information is available from the Library Standard Note on the [Youth Contract](#) and a [briefing](#) on the DWP website.⁹

1.3 Mandatory Work Activity

Mandatory Work Activity is aimed at individuals deemed in need of developing good work habits and discipline, such as working under supervision and attending on time.

Jobcentre Plus advisers can refer claimants on a mandatory basis to a work placement lasting for four weeks, for up to 30 hours a week. Benefit sanctions may be imposed on those who fail to participate. The scheme is intended for individuals who have been claiming JSA for at least thirteen weeks, although it is possible for referral to be made at any point in an individual’s claim prior to their joining the Work Programme.¹⁰

The scheme was introduced in April 2011 and operates across Great Britain. It is delivered by contracted providers who are responsible for sourcing placements and arranging for individuals to start the placement with the employer.¹¹ Placements are required to be of benefit

⁴ DWP, [Early Impacts of Work Experience](#), April 2012, page 7 and from [0:36 in this Sky News interview from 29 Feb 2012](#) with Mr Grayling

⁵ DWP press release, “[Statement from the Minister for Employment Chris Grayling on the Work Experience scheme](#)”, 29 Feb 2012

⁶ DWP, [Youth Contract official statistics, February 2015](#), 25 February 2015

⁷ DWP, [Touchbase e-zine](#), July 2012

⁸ DWP, [Youth Contract official statistics: April 2012 to November 2014, Data Tables: ‘LA 18-24’, ‘LA all’, ‘PC 18-24’, ‘PC all’](#), 25 February 2015

⁹ <http://www.dwp.gov.uk/youth-contract/>

¹⁰ DWP, [Mandatory Work Activity provider guidance](#)

¹¹ The [full list of providers for the scheme](#) is available from the DWP website.

to the local community and to be additional to existing or expected staffing needs. Providers are responsible for participants' costs of travel, childcare and other costs that may be reasonably incurred as a result of an individual's participation in the scheme.¹²

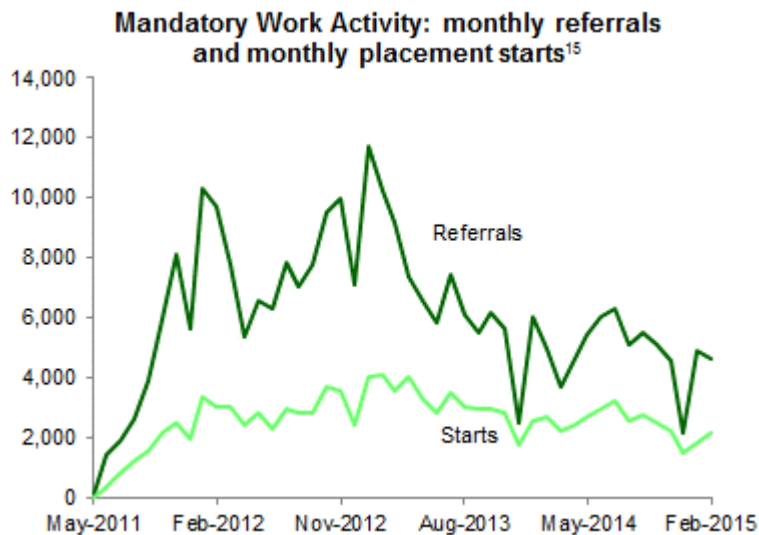
The Government announced on 12 June 2012 that it was expanding the scheme by adding 9,000 more places a year, so that the annual number of places available is 28,000. It is expected that Jobcentre Plus advisers will be able to make between 60,000 and 70,000 referrals per year.¹³ Some Jobcentre Plus districts are using their [Flexible Support Fund](#) to buy further places.¹⁴

Statistics

From May 2011 to February 2015, there were 278,010 referrals to the Mandatory Work Activity scheme.¹⁵

However, only 118,620 individuals started a placement (defined as attending an initial interview with the placement provider). It appears that many claimants who are required to participate stop claiming their benefit before the work placement begins.

Claimants aged 25-49 make up just over half of all referrals to Mandatory Work Activity (51%) and over half of all starts (52%). Young people aged 18-24 comprise 37% of referrals and 32% of starts, while claimants aged 50 and over comprise 11% of referrals and 15% of starts.¹⁶



¹² DWP, [Mandatory Work Activity provider guidance](#)

¹³ DWP press release, "[Mandatory work activity scheme extended](#)", 12 June 2012

¹⁴ DWP, [Evaluation of Mandatory Work Activity](#), DWP Research Report 823, December 2012

¹⁵ Referrals and starts between January and March 2012 include people on a DWP trailblazer scheme. The trailblazer ran in five Jobcentre Plus districts and tested how the scheme worked for claimants who had received more than one labour market sanction or disallowance over the last year.

¹⁶ DWP, [Pre-Work Programme support: Mandatory programmes, May 2015](#), 27 May 2015

Evaluation

Research conducted by the DWP, published on 12 June 2012, looked at the early impacts of the scheme. The [research findings](#) suggest that referral to the scheme had an initial deterrent effect on those claiming benefit, but this effect diminished with time and was not evident five months after referral. The research also found that “Mandatory Work Activity referrals showed no employment impacts”.¹⁷

A DWP-commissioned [evaluation of the scheme](#) was published in December 2012. It examined the perspectives of claimants, Jobcentre Plus advisers, providers and organisations hosting placements on different aspects of the scheme, including the referral process, placements offered and subsequent impacts.¹⁸

1.4 Sector-based work academies

Sector-based work academies are aimed at claimants who are considered relatively ready for employment, with no basic skills needs. Claimants are offered sector-specific training and work experience placements for a period of up to six weeks, followed by a job interview with an employer.

The training element of the academy is fully funded by the Skills Funding Agency in England and by the Scottish Government and partner organisations in Scotland. The job interview may also lead to apprenticeship places, and the training element of the academy may be used as the foundation of apprenticeship training.¹⁹

Sector-based work academies are offered in England and Scotland and provision is based around actual job vacancies. Claimants may be referred at any point in their claim prior to referral to the Work Programme. Whilst engaged in the academies, people will continue to claim benefits. Any travel and childcare costs associated with taking up a place in an academy will be covered. Claimants’ decision to participate is voluntary, but attendance becomes mandatory once a claimant has accepted a place.

Between August 2011 (when the scheme started) and Nov 2014, 169,330 claimants commenced sector-based work academy pre-employment training. Claimants aged 18-24 comprised around half of all starts (52%), while 39% of starts were by claimants aged 25-49 and 9% by claimants aged 50 and over.²⁰

Reilly and Wilson v Secretary of State for Work and Pensions

Sector-based work academies, the Work Programme and other schemes were introduced under the *Jobseeker’s Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011* (the “ESE Regulations”). These regulations were quashed by the Court of Appeal on 12 February

¹⁷ DWP research, “[Early impacts of Mandatory Work Activity](#)”, June 2012

¹⁸ DWP, [Evaluation of Mandatory Work Activity](#), DWP Research Report 823, December 2012

¹⁹ Jobcentre Plus, [Sector based work academies – a guide](#), updated January 2013

²⁰ DWP, [Youth Contract official statistics, February 2015](#), 25 February 2015

2013 in the case of *Reilly and Wilson v Secretary of State for Work and Pensions*. The Court of Appeal found in favour of the appellants on two out of four grounds:

- The ESE Regulations failed to describe in sufficient detail the schemes in sufficient detail, as required by the primary legislation. As a result, the Regulations were unlawful and should be quashed.
- The notices sent to claimants failed to comply with statutory requirements that claimants must be made aware of their obligations and on the situations where sanctions would be applied.

In response to the Court of Appeal judgment, DWP requested permission to appeal to the Supreme Court and laid before Parliament the [Jobseeker's Allowance \(Schemes for Assisting Persons to Obtain Employment\) Regulations 2013](#), to provide a legal framework for the schemes covered by the 2011 Regulations now quashed as a result of the Court of Appeal's judgment. The regulations came into force with immediate effect.

The Government also introduced the [Jobseekers \(Back to Work Schemes\) Act](#) which covers cases where claimants were sanctioned for a failure to comply with a requirement under the 2011 Regulations, or where there was a failure but a decision to impose a sanction has not yet been made. Under the Act, it is not possible to challenge a decision to impose a sanction solely on the grounds that the 2011 Regulations were invalid, or that notices to claimants were inadequate, notwithstanding the Court of Appeal judgment.

Further information on the Court of Appeal judgment, the emergency regulations and the Bill can be found in Library Standard Note, [Jobseekers \(Back to Work Schemes\) Bill 2012-13](#).

1.5 Work Trials

Work Trials involve a jobseeker working with a prospective employer for up to 30 days, at the end of which period the employer will decide whether or not to employ them. The employer must have a genuine vacancy to be filled. Individuals participate on a voluntary basis and continue to receive benefit while on the Work Trial. Further information on the scheme (in its current form) has been provided in responses to Freedom of Information requests.²¹

Work Trials were first introduced in 1989 as part of the Job Interview Guarantee Scheme.²²

1.6 Work Programme

The Government's main welfare-to-work scheme, the Work Programme, offers support to the long-term unemployed and some

²¹ https://www.whatdotheyknow.com/request/jcp_guidance

²² Edward Beale, [Employment and Training Programmes for the Unemployed, Volume II: Other programmes and pilots](#), House of Commons Library Research Paper 05/62, 30 September 2005

disabled benefit claimants. It is designed to allow service providers (who run the programme) freedom to introduce and implement their own ideas and schemes intended to help unemployed participants find work. Providers may decide to place people in work-related activities, such as work experience placements.

Individuals are referred to the Work Programme from their local Jobcentre Plus, either on a voluntary or mandatory basis, after they have been receiving Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA) for a minimum amount of time. Individuals aged 18-24 on JSA are referred to the programme after the 9-month point of their claim, while those aged 25 and over are placed on the programme after claiming JSA for 12 months. Some disadvantaged groups are given early access to the programme.

More information is available in the Library Standard Note on the [Work Programme](#).

1.7 Post-Work Programme provision: 'Help to Work'

From April 2014, all JSA claimants who complete 104 weeks on the Work Programme and are not in employment will go on to a new scheme entitled 'Help to Work'. Claimants will either be referred to a community work placement, a training scheme, or 'intensive work preparation'.

For more information see the Library briefing on [Help to Work: post-Work Programme provision for the long-term unemployed](#).

1.8 Why the National Minimum Wage does not apply

The National Minimum Wage requires that "workers" and "employees", as defined, receive a minimum rate of pay set under regulations. Those on work placement schemes designed to help those on benefits into work are neither "workers" nor "employees" and therefore the National Minimum Wage legislation does not apply. This is because these arrangements, including schemes such as the now discontinued Flexible New Deal or the existing Work Programme, do not constitute a "contract" as such, but are simply a requirement linked to ongoing receipt of Jobseeker's Allowance (JSA).²³

²³ On 15 Sep 2011, the [Government issued additional guidance](#) on who's eligible for the minimum wage, which it said would provide greater clarity for businesses offering work experience, placements and internships.

2. Previous Work Experience schemes

Work experience schemes are called a variety of names including community jobs, work for your welfare (or 'workfare') and mandatory work activities. However, at their core they share similar characteristics:

- The jobs are temporary and intended to boost longer-term employability of participants.
- Individuals are generally not paid a wage as such; instead they continue to receive their benefits and in some cases a small supplemental amount.
- Some schemes require mandatory participation of individuals, with the threat of withdrawing benefits if the individual does not participate.
- Some schemes address the idea of "mutual obligation", where those in receipt of social assistance, e.g. benefits, give something in return to help the community.

These schemes form one part of the wider group of active labour market policies (ALMPs), which link benefit entitlement and job search advice to requirements on the unemployed to actively search for jobs and/or to take steps to improve their employability. These "active" policies became more prominent in developed economies, including the UK, in the late 1980s and 1990s, increasingly replacing more "passive" measures, such as setting the level of unemployment benefit.

2.1 Past schemes in the UK

Conservative Governments 1979-1997

Introduced during the early 1980s recession, the **Community Programme** was a large-scale government initiative which provided temporary jobs for the long-term unemployed that benefitted the community. The programme provided around 230,000 places by 1986 at a cost of over £1 billion.²⁴ Jobs lasted for up to a year and could be part-time or full-time. Participants were paid a wage, although this was limited by the restricting the number of hours one could work.²⁵

Evaluations of the programme found no significant impact on employment or improvement in the number of people leaving unemployment.²⁶ Although one study found that young participants, who made up a majority of the places on the programme, had a slight increase in numbers leaving unemployment once their job placements ended. The study suggested that this positive result may have been down to those on the programme being better qualified or having

²⁴ Social Market Foundation (SMF), [The job crisis and what to do about it](#), 2009, page 10

²⁵ Dan Finn and Dave Simmonds, [Intermediate Labour Market in Britain and an international Review of Transitional Employment Programmes](#), DWP Research Report, Nov 2003, page 17, para 2.14

²⁶ Work and Pensions Committee, [Youth Unemployment and the Future Jobs Fund](#), 21 Dec 2010, HC472, Ev 51; and Dan Finn and Dave Simmonds, op cit, page 17, para 2.18

higher motivation than those not on the programme, i.e. the better results were not a result of the programme itself.²⁷ The Community Programme ended in 1988.

A programme called **Employment Action** ran from 1991 to 1993 and offered those unemployed for at least six months a temporary job helping with community projects. These jobs lasted for an average of six months. Job search assistance was also provided for helping find participants permanent jobs. A small supplemental payment in addition to the participant's benefit entitlement was provided.²⁸ An evaluation of the programme did not find much evidence of a difference in employment rates of participants when compared with non-participants.²⁹

Community Action ran from 1993 to 1996. This was a programme designed to help people who had been unemployed for at least a year back into work by providing job search assistance and part-time work experience on projects of benefit to the local community. Around 100,000 people started the programme in the three years of its operation, with the government stating that 27% of participants achieved "positive outcomes" three months after leaving the programme in 1994/95. However, this figure includes only 14% who found employment and 4% who went into full-time education.³⁰

Project work, which ran on a pilot basis from April 1996 to April 1998, involved a period of compulsory work experience. An evaluation of the scheme noted that while it led to an increase in the numbers leaving unemployment, it may have led to increases in the number of people claiming incapacity benefits.³¹

Labour Governments 1997-2010

The **New Deals** introduced by the Labour Government are generally considered not to be a form of involve workfare, although some commentators argued otherwise given the sanctions available for non-compliance. The two compulsory programmes, the New Deal for Young People (NDYP) introduced in 1998 and the New Deal for those aged 25 and over (ND25+) involved long-term unemployed people (claiming JSA for six months for young people and 18 months for those aged 25-59) being offered a selection of options if they had not found a job during the initial "gateway" period of the schemes (which involved intensive job search activities lasting four months). These options included training courses, taking up a job with an employer who received a wage subsidy from government and a work experience placement. The unemployed individual and the jobcentre adviser would together determine which of these would be taken up.

²⁷ Social Market Foundation (SMF), [The job crisis and what to do about it](#), 2009, pages 10-11

²⁸ Edward Beale, [Employment and Training Programmes for the Unemployed: Volume II: Other programmes and pilots](#), House of Commons Library Research Paper 05/62, Sep 2005, page 74

²⁹ Dan Finn and Dave Simmonds, op cit, page 17, para 2.18

³⁰ [HC Deb 24 November 1995 vol 267 cc389-97W](#)

³¹ Dan Finn and Dave Simmonds, op cit, page 17, para 2.18

There is considerable research into the costs, benefits and effectiveness of the New Deals, although much less evidence is available on the effectiveness of the specific work experience element. Nevertheless, some of conclusions of research into the efficacy of the New Deals are briefly summarised below.

- National Audit Office, [Helping people from workless households into work](#), July 2007. The NAO calculated that the net cost of to the Exchequer in 2005/06 was £390 per participant of the NDYP and £360 per participant of the New Deal 25+ (see table 21 on page 41). The net benefit/cost to the Exchequer was defined as the difference between the cost per participant, and the benefits that flowed back to the Exchequer in benefits saved, and increased tax revenue, less the cost of increased tax credits payable to people who moved into work.
- National Audit Office, [Sustainable employment: supporting people to stay in work and advance](#), Nov 2007. This report examined the sustainability of jobs found through New Deal schemes. The report concluded that although progress had been made there is still significant cycling between employment and benefits – 40% of JSA claimants helped into work will claim again within six months. It said that sustainable employment requires closer relationships between the scheme and employers, and greater knowledge of regional variation in labour markets.
- De Giorgi, G., IFS, [Long term effects of a mandatory multistage program: the new deal for young people in the UK](#), 2005. The study found that the New Deal for Young People enhanced employability by about 6-7%.

StepUP was designed for individuals who had already been through either the New Deal for Young People or the New Deal 25 Plus. It was a mandatory programme for under 50s that began in 2002, operating in selected areas of the UK. It involved jobs lasting for 50 weeks that paid the National Minimum Wage (employers were paid a wage subsidy). After six months, participants were encouraged by their support officer to undertake job search activities in order to get a job at the end of the 50 week period.³²

Overall, there is some evidence that the programme had a positive impact, but results varied for different groups of participants. An official evaluation for DWP found “significant benefits” for participants aged 30 and over but not for those under 25. There was a large positive impact on job outcomes for participants who were initially less employable, but participants who were already close to the labour market fared less well than similar jobseekers not on the scheme.³³

The **Flexible New Deal** (FND) was a mandatory programme run by specialist providers (usually private or third-sector organisations) for unemployed individuals who had been claiming JSA for 12 months. It was rolled out in around half the country in October 2009. The FND

³² Edward Beale, [Employment and Training Programmes for the Unemployed: Volume II: Other programmes and pilots](#), House of Commons Library Research Paper 05/62, Sep 2005, pages 49-53

³³ Paul Bivand et al, [Evaluation of StepUP Pilot: Final Report](#), DWP Research Report 337, April 2006

was due to be rolled out to the rest of the country in October 2010. However, upon taking office in May 2010, the new Government cancelled this second rollout and announced that a new scheme, the Work Programme, would replace the major existing welfare-to-work schemes (including the FND) in June 2011. So the FND was only ever operational in around half the country between October 2009 and June 2011.

Providers worked with the unemployed individual in drawing up an action plan in order to improve the likelihood of the individual finding employment. Under the FND, providers were required to ensure that participants undertook a period of “mandatory work-related activity”³⁴ (MWRA) lasting at least four continuous weeks for 30 hours or more per week.³⁵ The work-related activity needed to be completed within the unemployed individual’s one-year (maximum) spent with the FND provider.

In total there were 405,000 starts on the FND while it was operational.³⁶ Statistics on how many people were put on MWRA are not published by the DWP. However, a DWP evaluation of the FND stated that fewer than half of participants who were on the FND for a full year had experienced a work placement of four or more weeks.³⁷ These work placements were usually in the private sector or with a charity and tended to be low-level positions. Providers also experienced difficulties in finding enough employers to offer work placements. The evaluation also noted that there was evidence of a minority of employers abusing the system by repeatedly offering work placements instead of a full-paying job.³⁸

Work for Your Benefit pilots was a scheme proposed by the previous Labour Government in their December 2009 White Paper, [Building Britain’s Recovery](#). In the section devoted to supporting the long-term unemployed it stated (emphasis added):

57. We are also developing two new approaches for job seekers unemployed for two years, which cover two key elements of help for this group: mandatory activity and personalised help:

- **Work for Your Benefit will test a programme of employment support and bespoke work experience for up to six months.**

- Jobcentre Plus delivering intensive and personalised support at the two year stage, including the use of a personal support fund which is ring-fenced for each individual and can be used flexibly to support efforts to find and stay in work.

The *Jobseeker’s Allowance (Work for your Benefit Pilot Scheme) Regulations 2010* ([S.I. 2010/1222](#)) were made on 7 April 2010, and

³⁴ [DWP, Flexible New Deal Guidance, Section 6](#); paras 6.19, 6.3 and 6.37

³⁵ This was only the case if the claimant has not previously had at least four weeks continuous full-time paid work since starting the FND programme.

³⁶ DWP, [Delivery Directorate Performance Report: Flexible New Deal Statistics](#), 16 Nov 2011

³⁷ DWP Research Report 758, [Flexible New Deal evaluation: Customer survey and qualitative research findings](#), June 2011, page 125

³⁸ *ibid.* pages 56 and 125

were due to come into force on 22 November 2010. This scheme would have been mandatory for individuals who had completed the Flexible New Deal without finding employment (usually two years after their initial JSA claim) and would have offered them full-time work-experience and employment support. The process would have been similar to the mandatory work related activity element of the Flexible New Deal.

On 18 November 2010, the current Government [announced](#) that they would not be going ahead with the scheme.

The **Community Task Force** was a part of the Young Person's Guarantee. The Young Person's Guarantee introduced formerly in January 2010, which offered all 18 to 24 year olds in Great Britain reaching the six-month point of their JSA claim a guaranteed of either: an offer of a job (the Future Jobs Fund), training, employment subsidy or work experience on the Community Task Force.

Those who did not take up one of the other options by the tenth month of their JSA claim were required to participate in the Community Task Force. This involved a work experience placement that was of benefit to the community. Alongside the placement, individuals were offered job search support. Placements lasted three months with a three month extension available to those who wanted it. The scheme ended in May 2011. There were 55,000 starts on the Community Task Force in the period it was in operation.³⁹ No evaluations of the effectiveness of the programme are currently available.

The **Future Jobs Fund**, also part of the Young Person's Guarantee, began in October 2009 and involved individuals, mostly between 18 and 24, who had been on JSA for at least six months taking up temporary subsidised jobs (paying at least the National Minimum Wage) that usually lasted for six months. The Department of Work and Pensions (DWP) paid employers (mostly in the public sector, often local councils) up to £6,500 per job in wage and business costs.

Originally intended by the Labour Government to support 170,000 temporary jobs (later raised to 200,000), this was later reduced to around 100,000 in May 2010 as part of the new Government's in-year spending cuts for 2010/11.

Official statistics show that up until the scheme closed in March 2011 there had been 105,220 starts to Future Jobs Fund (FJF) vacancies in Great Britain.⁴⁰

A May 2011 DWP study of the scheme concluded that it was successful in preparing participants for work and had some positive long-lasting effects. However, it also noted that some participants did not receive focus on how to get a job after they had completed the FJF.⁴¹

³⁹ DWP, [Young Person's Guarantee Official Statistics](#), 12 Oct 2011

⁴⁰ DWP, [Young Person's Guarantee Official Statistics](#), 12 Oct 2011

⁴¹ DWP, [Customer Experience of the Future Jobs Fund: Findings from a Qualitative Research Study](#), May 2011

Figures show that almost 47% of Future Jobs Fund participants who began the Future Jobs Fund between October 2009 and March 2010 were claiming working age benefits 14 months after starting on the Future Jobs Fund.

More is available from the Library Standard Note on the [Future Jobs Fund](#).⁴²

2.2 International examples

United States

The adoption of workfare schemes has been most prevalent in the US, particularly during the 1990s. The US operates a de-centralised system of welfare, with differing schemes at State (and even county) level. In 1996, the establishment at a federal level of the Temporary Assistance for Needy Families (TANF), the core welfare programme for families with children under 18, required States to design and implement a scheme which included a work participation requirement for welfare recipients.

⁴³

As has been well documented, there was a significant reduction in the numbers of people claiming benefits in the US during the late 1990s and early 2000s, from 4.6 million in 1996 to 2.1 million in 2002. However, the impact of the workfare element of the programmes is not necessarily the reason for this fall in caseloads, as the numbers involved in mandatory work activities was low.

Wisconsin

The Wisconsin Works (W-2) programme is well known for the dramatic reduction in welfare recipients in the State during the 1990s.⁴⁴ Caseloads fell by 80% in the decade to 2000. Over 40% of those on welfare worked in unpaid community jobs. There is some evidence, however, that workfare was not the sole reason for the fall in claimants, with economic growth accounting for some of the decline in welfare numbers. In addition, one study found that those who were on the programme did not find sustained employment once they left it, with less than half continuously employed during the three years after they left the scheme.

New York City

The Work Experience Programme (WEP) involved participants on welfare programmes working three days a week, usually in unpaid community jobs, while spending two days a week on job search activities. Those refusing to participate faced benefit sanctions.⁴⁵

The evidence suggests the programme had little impact on improving the number of people finding employment, with the reduction in

⁴² <http://www.parliament.uk/briefing-papers/SN05352>

⁴³ DWP Research Report 533, [A comparative review of workfare programmes in the United States, Canada and Australia](#), Aug 2008, Chapter 3

⁴⁴ DWP Research Report 533, [A comparative review of workfare programmes in the United States, Canada and Australia](#), Aug 2008, Chapter 3.2.2

⁴⁵ DWP Research Report 533, [A comparative review of workfare programmes in the United States, Canada and Australia](#), Aug 2008, Chapter 3.2.1

welfare caseloads being attributed to the use of benefit sanctions instead. The use of the workfare element of the programme has decreased substantially, with a shift away from unpaid community work placements to subsidised jobs that pay a wage.

A 2008 DWP research report, where much of this section's information is based on, suggests that the declining use of strict workfare policies, such as in New York City and also in Wisconsin, indicates that more adaptable programmes that cater for different needs of people are becoming more popular in the US at the expense of one-size-fits-all workfare programmes.

Australia

In 1997, the programme Work for the Dole (WfD) was introduced across Australia. It is intended to fulfil the principle of "mutual obligation", where those receiving social assistance support the local community in return. It involves participants working for up to six months on community projects. They receive their unemployment benefit and a small supplemental stipend.⁴⁶

An official net impact study showed that participation in the programme raised employment outcomes by 7% compared with non-participants. However, other research has found that only 14% of participants were in full-time job three months after leaving the programme. As with many workfare programmes, it was also criticised for not providing sufficient support for participants that would better enable them to not only find but retain a job.

2.3 Evaluating schemes

Evaluations of work placement schemes have found some common results. First, placing individuals in temporary, often community-project-type jobs, limits the amount of time that is available for them to look for permanent jobs. This less intensive job search is sometimes called the "lock-in effect" of such programmes. The lock-in effect is also prominent in schemes that involve individuals going on training courses. In contrast, "work first" policies aim to get individuals into employment as quickly as possible, with less emphasis on what type of job it is.

Research also shows the deterrent, or motivation effect, is prominent in work-for-your-benefit, or workfare, schemes. This is when participants are mandated to attend these programmes, with the threat of sanctions, usually involving the loss of some benefit entitlement. As a result of these threats, there is often a "shake out" of people claiming benefits, with some people stopping their benefit claims, particularly those that are able to find work relatively easily but have not done so before for various reasons. It should be borne in mind that it is difficult for evaluations of mandatory work programmes to pick up this effect as it occurs prior to individuals starting the programme.

⁴⁶ DWP Research Report 533, [A comparative review of workfare programmes in the United States, Canada and Australia](#), Aug 2008, Chapter 5

Work placement schemes also need to be carefully designed so as not to simply fill jobs that would have been done by others. Merely substituting the employee will not produce the intended outcome. Being able to create these 'additional jobs' is one reason why temporary job placements tend to be run by the public sector and involve supporting community projects.

Conclusions

In general, evaluations of welfare-to-work policies and workfare schemes have found that the strictest schemes are less likely to work, largely because they can deter all people from claiming benefit, even those most in need, without improving their chances of finding employment.⁴⁷ The OECD, in a 2005 review of welfare-to-work policies, concluded that moderate workfare requirements resulted in better results.

Research from the countries with experience of workfare schemes, particularly the US, UK, Australia and New Zealand, show little evidence that workfare raises the employment prospects of participants.⁴⁸ There is also some evidence to suggest that workfare is less effective in getting people into employment when the labour market is weak.⁴⁹ However, workfare can, via the motivation or deterrence effect, reduce the number of people claiming benefits.⁵⁰

⁴⁷ OECD, Employment Outlook 2005, [Chapter 4: Labour Market Programmes and Activation Strategies: Evaluating the Impacts](#), page 176

⁴⁸ Paul Gregg, [Job Guarantee: Evidence and Design](#), Sep 2009, page 5

⁴⁹ DWP Research Report 533, [A comparative review of workfare programmes in the United States, Canada and Australia](#), Aug 2008, Summary, page 1

⁵⁰ Paul Gregg, [Job Guarantee: Evidence and Design](#), Sep 2009, page 5

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