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Commodification, disabled people, and wage work in Britain

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Abstract

This paper focuses upon the development in Britain of a new out-of-work benefit, the Employment and Support Allowance —and a new employment service intervention (the Work Programme) which is supposed to support groups described as ‘hard-to-help’ people (one of which is disabled people) into wage work. The paper examines the ways in which such a combination of social security and labour market policies can be understood in political economic terms. The paper uses a theoretical framework drawing upon the ideas of commodification and proletarianization to argue that, rather than being concerned with the economic position of disabled people in Britain, the development of the Employment and Support Allowance and the Work Programme was concerned with relationships between the supply of labour and wage inflation, and with developing new welfare (quasi) markets in employment services. The paper concludes that attempting to address the economic disadvantages disabled people face through what are essentially market mechanisms will entrench, rather than address, those disadvantages.

Keywords

Commodification; Disabled People; Employment Services; Markets; Reserve Army; Social Security; Wage Work

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1. Introduction

In 2008, a new out-of-work benefit - the Employment and Support Allowance (ESA) - for disabled people was introduced in Britain as a replacement for the existing Incapacity Benefit (IB). This change made it more difficult to access out-of-work benefits on the grounds of disability. When people do manage to access them, they face greater pressure, on the threat of benefit sanctions, to make efforts to (re)enter paid work as soon as is possible. These efforts are managed through an active labour market policy, the central element of which is the Work Programme (WP). Introduced in 2011, the WP is a private-sector delivered programme through which providers aim to 'support' conscripts¹ into paid work. The ESA and the WP are complementary programmes. The ESA was designed as a policy to put pressure on the majority of disabled people receiving it to make efforts to access wage work as soon as is possible, while the WP is supposed to help them do this.

These developments in policies for disabled people in Britain have been controversial. For example, the process (the Work Capability Assessment - WCA²) that controls access to the ESA (see e.g., Macmillan 2010; National Association of Citizens Advice Bureaux 2010) and the inequities in the WP mean disabled people are especially poorly served by it (Public

¹ The term conscript is used to describe the vast majority of those people on the WP as their participation on it is not voluntarily. If benefit recipients do not engage with the WP they face benefit sanctions until they do so.

² Through the WCA applicants to the ESA are sorted into three groups. Those deemed fit for work by the WCA are expected to claim Jobseeker's Allowance (Britain's out-of-work benefit for those officially defined as unemployed) or to (re)enter work. Those who are found by the WCA to not be capable of paid work are sorted into either the Work Related Activity Group or the Support Group. People in the Work Related Activity Group are mandated to make efforts to increase their chances of (re)entering paid work as soon as is possible by doing work-related activity. People in the Support Group cannot be mandated to make such efforts, but they can do so voluntarily. Statistics (Department for Work and Pensions 2014) show that of the people for whom a WCA decision was made between January and March 2013, 39 percent were found fit for work, 23 percent were found to be not capable of working, but capable of doing work-related activity, and 39 percent were found to be not capable of working or doing work related activity (figures do not add up to a hundred due to rounding).

Accounts Committee 2013; Rees, Whitworth & Carter 2014). The approach, which might be described as the “social administration approach” (Hill 1990) is important, because it highlights administrative difficulties with the changes and the effects they have upon disabled people on a day-to-day basis. However, because this literature focuses upon the administrative detail of the policies, many analyses are bereft of an understanding of the broader political economic considerations that framed the introduction of the ESA and the WP, and the location of disabled people within these.

Of course, political economic analyses are not new in disability studies. While there are various social models of disability, Gleeson (1999) notes the importance of historical materialist analyses that have drawn to varying degrees upon the work of Karl Marx and Friedrich Engels (see Abberley 1996a; 1996b; Finkelstein 1980; Oliver 1990). Such analyses, as Gleeson (1999) notes, suggested “that disability is a social experience, which arises from the way in which society organises its fundamental activities (i.e., work, transport, leisure, education, domestic life)” (p. 25). There are problems with historical materialist approaches, most notably the potential to reduce the basis for the disadvantage of disabled people to an economic determinism (see Gleeson 1999 for discussion). However, this paper locates recent developments in wage work-related policies for disabled people in Britain within political economy, because this analysis still has explanatory value in understanding developments in social security and employment policy for disabled people. There is, however, not space to discuss, for instance, the importance of the cultural representation of disabled people, which in various media has contributed to the developments discussed (see Garthwaite 2011; Grover & Piggott 2013a).

In particular, this paper examines the ways in which the development of the ESA and the WP are framed by relationships between commodification and disabled people. Unlike other analyses of disability, this paper focuses upon the economic contribution of disabled

people through the British state's concern with their potential productive capacity (the commodification of their labour power), rather than being concerned with their contribution through consumption (see e.g., Albrecht 1992 on rehabilitation services and Ungerson 2003 on 'care'). While, as the work of Bauman (2004) demonstrates, consumption is important for understanding social divisions in late modern society, the focus of this paper is upon the relationship between commodification and production because of the importance placed in social security and labour market policy upon 'producing' active, productive disabled citizens, who are narrowly defined with reference to wage work, rather than 'producing' consumers (as the case is, for instance, in relation to social 'care' policy).

Although this paper focuses upon developments in Britain, the analysis resonates across many countries in which there have been changes — including making income replacement disability benefits more 'active', restricting access to and the value of such benefits, and developing work-related services to 'support' disabled people — aimed at increasing the number of disabled people in wage work (see, e.g., Soldatic & Pini (2012) and Lantz & Marston (2012) on Australia; Caswell & Bendix Kleif (2013) on Denmark; Lunt & Horsfall (2013) on New Zealand; Ulmetsig (2013) on Sweden; van Berkel (2013) on the Netherlands). Such developments have been encouraged through the problematizing of the potential economic and social impacts of social welfare benefit policies for disabled people by supra-national organizations (International Monetary Fund 2011; Organisation for Economic Co-operation and Development 2003; 2009).

The first section of the paper outlines the theoretical approach, rooted in the ideas of commodification and proletarianization which frames its understanding of the ESA and the WP. The paper then moves on to discuss the political economy consequences of understanding the development of the ESA and the WP as a means of commodifying labour power. The third section focuses upon the macro-economic effects of commodifying the

labour power of disabled people and the fourth section examines the creation of a (quasi) employment service market through which that is done. The fifth section examines the problematic nature of attempting to address the relatively poor labour market position of disabled people in Britain through an approach that is essentially premised upon the market finding solutions for it. The paper concludes that, rather than helping disabled people into paid work, the development of the ESA and the WP will lead to an entrenchment of the economic and labour market disadvantages faced by disabled people.

2. Commodification, active proletarianization, and capitalism

Jessop (2002) notes that “what most distinguishes capitalism from other forms of producing goods and services for sale is the generalization of the commodity form to labour-power” (p.12). Jessop’s observations are important for the purposes of this paper, because they highlight the close relationship between capitalism as a mode of economic production and labour power as a commodity. For Polanyi (1957), a commodity is an object “produced for sale in the market” (p.72). Such an understanding, as we shall see, raises a number of problems in considering labour power as a commodity. More abstractly, Harvey (2006) suggests that under capitalism a commodity is the “material embodiment of use value, exchange value and value” (p.1). For something to take the form of a commodity it must have some kind of utility. It must, in other words, satisfy some kind of need or want of an individual or organization (use value). However, to be a commodity it must also be tradable. In this sense, it must also have a value — an exchange value — that demonstrates its value in relation to other commodities. Finally, value relates to the “socially necessary labour time taken up in its production” (Harvey 2006, p. 11).

It is the application of such an understanding of value to labour power that makes capitalism distinctive. However, while labour power is treated as a commodity in capitalism,

analytically it should be treated as a “fictitious” or “pseudo” commodity (Peck 1996; Polanyi 1957). This is because, while it might have the form of any other commodity in that, as the wage system demonstrates, it can be bought and sold in markets, it “is not itself created in a profit-orientated labour process subject to the typical competitive process of market forces” (Jessop 2002, p. 13), and it cannot be detached from the “rest of life” (Polanyi 1957, p. 72). Labour power, therefore, should be understood as a fictitious commodity. It is its treatment as a commodity that is central to capitalism. “It is only when,” Jessop (2002) argues, “labour-power acquires a commodity form that the market-orientated self-valorisation of capitalism becomes possible” (p.15). This is because it is only through the application of labour power in its (fictitious or pseudo) commodified form to other inputs of production that capitalism can profit through the extraction of the surplus value (the difference between the cost of labour power and the value that it adds to goods and services).

Under capitalism the control of commodified labour power lies with the enterprise buying it (Peck 1996). Moreover, and particularly relevant for our purposes, wage work is exploitative precisely because of the extraction of the surplus value from working people (Marx 1976), and much of it causes mental and physical impairments (see e.g., Waddell & Burton 2006 for discussion of the caveats to the view that wage work is good for workers). Furthermore, wage work is disabling by excluding disabled people through its organization and processes (see Barnes 2000; Roulstone 2002).

Why is it that individuals seem willing for their labour power to be commodified? There is, after all, “nothing ‘natural’ or inevitable about labour, although much effort has gone into making it appear so” (Novak 1988, p. 29). In abstract terms, Offe (1984) describes the process of people offering their labour power for sale as wage labour as “active proletarianization”. And he argues that social policy is central to this process. Social policy is, according to Offe (1984), “the state’s manner of effecting a lasting transformation of non-

wage-labourers into wage-labourers" (p.92). Indeed, he argues that "the wholesale and complete transformation of *dispossessed* labour power into active wage labour... is not possible without *state policies*" (Offe 1984, p. 93, original emphasis). In other words, active proletarianization involves the state in developing policies through which the labour power of individuals is commodified.

Such approaches to understanding relationships between the state and the commodification of labour power are important because they highlight relationships between state policies and the commodification of labour power that have been visible in various forms since the development of collective responses to social distress (Grover 2012). They are, however, problematic because they are made at a broad level of abstraction, ignoring, for instance, the ways in which commodification and decommodification are affected by judgements about the capability of the individual to labour, and how this might be affected by the ability of employers to secure surplus value. Historical materialist analyses of disability, for instance, highlight how with the development of the new institutions and rhythms of production in the transition from feudalism to industrial capitalism people who, for whatever reason (including those people with impairments), could not "sell [their] labour power at the average rate of productivity... [were] consigned to the usual consequences of labour market exclusion" (Gleeson 1999, p. 107).

What such observations point to is the importance of the way in which the labour process is organized in helping to determine access to wage work and the importance of understanding continuity and change. For although the way in which the labour process is organised might change (post-industrial society, for instance, has a different set of labour market institutions and rhythms compared to industrial society), the basis of profitability - the application of labour power to the other factors of production - does not. Employers must be convinced that labour power will be productive enough to secure a surplus value from

employing it. For disabled workers, it is the case that they are often and unjustly considered to be less productive than non-disabled workers³ (Gleeson 1999).

It is within this context that the paper considers relationships between labour power, commodification, and the role of the state in understanding recent changes to social security and labour market policy for disabled people. In the following two sections we focus upon different economic aspects of the commodification of the labour power of disabled people through the ESA and the WP.

3. Disabled people, (re)commodification of labour power, and the supply of labour

Roulstone and Prideaux (2012) locate the primacy attached to wage work by 1997-2010 Labour governments in Britain—from which the ESA and the forebears of the WP emerged—to a complex set factors. These relate to individualized understandings of worklessness rooted in various conservative analyses (e.g., Murray 1990; 1994) and authoritarian versions of communitarianism (e.g., Etzioni 1995), the rising costs of social security spending, and the “disavowing of the age-old belief ‘that people with health conditions and disabilities... cannot work’” (Roulstone & Prideaux 2012, p. 82). Such arguments, however, ignore the macro-economic reasons for the development of the ESA and later the WP that are related to the (re)commodification of the labour power of disabled people.

Indeed, in the mid-2000s in Britain, although it was not termed as such, the government argued that out-of-work social security provision for disabled people acted to

³ Abberley (1996a, 1996b), however, provides a counter to such arguments, suggesting that there will always be some disabled people who are not as productive in an economic sense as non-disabled people (see also Barnes, 2000). For Abberley, the problem was the importance placed upon wage work for reducing disabled people’s disadvantage. In this context, he argued that the solution to such disadvantage was only “insofar as there is a happy conjunction between an individual’s impairment, technology and socially-valued activity” (Abberley, 1996a, p 14). He saw the need for an alternative that “rejects work as crucially definitional of social membership” (Abberley, 1996a, p 14).

decommodify their labour power. In brief, the receipt of out-of-work benefits was held to reduce the reliance of disabled people upon the market, particularly wage work, to maintain their subsistence (Esping-Andersen 1990). We can see this particularly in the critique the government offered of the existing IB. First, although the number of IB claimants was falling at the time, too many people were held to be accessing it (what was called the 'on-flow problem'). Second, once receiving it too little was held to be done to get recipients to leave it (described as the 'off-flow problem'). Hence, IB stood accused of "trap[ping] too many people for long periods of time in a state of worklessness" (Grover & Piggott 2013b, p. 172).

It was argued that this alleged decommodification of disabled people's labour power would be addressed through a new benefit - the ESA - first by making it more difficult to claim through the introduction of a tougher assessment of capability to do paid work (addressing the 'on-flow problem'). This new assessment, the WCA, was designed to find a greater proportion of applicants fit for work compared with IB's Personal Capability Assessment. Second, the 'out-flow problem' would be addressed by giving most recipients 'support' in making efforts to (re)enter paid work⁴ (to be provided by the WP under the Coalition government⁵) and by removing what was described at the time as "perverse benefit incentives - paying more the longer people claim"⁶ (Secretary of State for Work and Pensions 2006, p. 4).

According to both heterodox and orthodox macro-economic theory, it is not the case that people who are not in wage work do not have any economic function. Marxian-inspired

⁴ This includes five work focused interviews, the signing of an agreement of an employment-focused action plan with a personal adviser and the possible mandating of activities, such as "work tasters, improving employability, job search assistance, and stabilising life, and in some circumstances, managing health in work" (Department of Work and Pensions, 2009a, para 290).

⁵ When the ESA was introduced in 2008, the employment schemes in operation for disabled people were the New Deal for Disabled People and Pathways to Work. These were being replaced by the Flexible New Deal when the Coalition government, formed in 2010, announced the introduction of the Work Programme from 2011.

⁶ This referred to the fact that under the IB regime people received substantial increases in benefit after 29 weeks and a year. These were beyond inflation-related increases that most social security benefits were then subject to.

political economy, for example, suggests that people outside of wage work (i.e., those who for various reasons are wage workless), the ‘reserve army of labour’, have a role in managing wage inflation. Marx argued, for example, that the role of the reserve army was to place downward pressure on wage levels:

The industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active army of workers; during periods of over-production and feverish activity, it puts a curb on their pretensions. (Marx 1976, p. 792)

Hence, for Marx the importance of the reserve army of labour was not just that it provided a pool of labour that could be brought into production when capital demanded. In contrast, the role of the reserve army is to place downward pressure on wage levels; to ‘curb’ the ‘pretensions’ of workers. In this context, Marx (1976) argued that “the general movements of wages are exclusively regulated by the expansion and contraction of the industrial reserve army” (p.790).

Such arguments are also made in more orthodox economic analyses and understandings of free market economies. So, for example, in Britain similar observations were made by the then Labour government through the idea of the ‘effective labour supply’:

The economy does not contain a fixed number of jobs. One person’s employment should not be seen as another’s worklessness. Instead by bringing workless people closer to the labour market and making them more effective at competing for jobs, total employment can be increased. With a more effective supply of labour, employers can fill their vacancies more easily and the economy can grow without hitting skills shortages or running into inflationary pressures. In a dynamic labour market, that growth leads to higher employment (HM Treasury 1999, para. 4.10).

The importance of the idea of the ‘effective labour supply’ is that it enables more people to work without igniting wage inflation. In other words, it reduces the Non-Accelerating Inflation Rate of Unemployment (NAIRU) (Finn 2003). For Labour governments and the subsequent Coalition government in Britain, the problem with decommodified labour power, such as that of many workless disabled people, was that it contributed to constraints in labour supply. The consequence of the decommodification of labour power is that not only is worklessness held at an artificially high level, but it also means that the level of worklessness

at which wage inflation increases remains high. For 1997-2010 Labour governments, this explained the situation in 1980s Britain where there was a relatively high rate of unemployment *and* high rates of inflation (Wilkinson 2007). Hence, Labour governments believed there was a need to target

...groups of people who are at risk of becoming detached from the labour market. Long periods of dependence on benefits are deeply damaging for individuals... They are also costly in economic terms — as people spend long periods out of work, their chance of moving into work declines significantly. They cease to be effective in their search for work — to all intents and purposes leaving the market altogether. If more people can be helped back into the labour market, we can increase the numbers who are in a position to compete for the job opportunities that exist. That means that the economy can grow more rapidly without running into skills shortages and wage inflation. In other words, the welfare to work programme can help raise the sustainable level of employment (HM Treasury 1998, para. 4.17).

At the time such arguments were not unique to Britain. For example, Russell (2001), cites the USA's then Labour Secretary, Alexis Herman, as saying that the "last big group of people in this country who could keep the economy going strong with low inflation are Americans with disabilities... who are not in the work force" and President Bill Clinton as noting that "there are a couple of options [to keep America's economy growing without inflation]. You can bring more people from welfare or from the ranks of the disabled into the work force" (p.226).

In Britain Labour governments were arguing by the mid-2000s that they had successfully tackled the problem of unemployment (Secretary of State for Work and Pensions 2006) and if economic growth was to continue into the future what was needed was the recommodification of the labour power of groups of people, including disabled people, who in policy terms were previously understood as being outside of, or having a more marginal relationship to labour markets, compared to the able-bodied unemployed. In 'an increasingly global economy', it was argued by the government,

...we must make the best use of our most valuable asset — the talents of individuals. We cannot afford to lose the contribution of those who in the past were dependent on long-term benefits (Secretary of State for Work and Pensions 2006, p. 19)

The ESA and later the WP are the main elements in the recommodification of the labour power of disabled people who are deemed capable at some point in the future of being able to do some wage work (i.e., excluding those placed in the Support Group of the ESA because they are deemed to "have a severe limitation which creates a significant disability in relation to the labour market, regardless of any adaptation they may make or support with which they may be provided" (Department of Work and Pensions [DWP] 2009b, p. 8). As such, the ESA and WP are supply-side policies designed to make disabled people compete more effectively for wage work, thus contributing to the downward pressure on wage levels by, first, increasing the number of people competing for such work (widening the obligation to work) and, second, by increasing their closeness to it (deepening the obligation to work) (Secretary of State for Work and Pensions 2008a). The ESA and the WP aim to (re)commodify the labour power of disabled people by restricting the disability category (Stone 1984) for out-of-work benefits and increasing requirements for those who are deemed capable of doing wage work to make more effort to enter wage work as soon as is possible. While the individual benefits of such development are emphasised, the fact that they impoverish disabled people would suggest that the macro-economic effects of the (re)commodification of labour power have been of most interest to governments in Britain, highlighting the fact that social policy is indeed an important means of regulating economic phenomena (Jessop 2002; Offe 1984).

4. The development of employment service (quasi) markets

In Britain, state-organized labour exchanges were introduced in the early years of the 20th century. They were institutions that acted to broker the commodification of labour power by bringing together the buyers and sellers of labour power (Beveridge 1909). We do not have space to rehearse the rather complex history of the relationship between labour exchanges

and their later reincarnations, and the administration of social security benefits (see Price 2000). Suffice to say, that over the 20th century the receipt of social security benefits for able-bodied people not in wage work became closely linked to their efforts to seek and, where available, take wage work, the oversight of which was to become the province of labour exchanges and later job centres.

Changes to the operation of what were previously state-provided employment services have been central to the recent attempts in Britain to (re)commodify the labour power of disabled people. Essentially, this has involved a bifurcation of employment services, whereby the state has retained the provision of work activation services for those who are closest to labour markets, while the private sector has been given responsibilities for so-called ‘hard-to-help’ groups, which include disabled people (those claiming the ESA if they are deemed to be capable of work-related activity).

This approach was recommended by former city banker, and now Minister for Welfare Reform, David Freud. Freud was commissioned to make recommendations on reducing worklessness and in-work poverty, and helping the then Labour government to meet its aspiration of an employment rate of 80 percent among working age people (Freud 2007). To meet these policy goals Freud argued that what was required was the development of a (quasi) market in the provision of employment services for the ‘hard-to-help’. The basis of such an approach was located in the alleged poor performance of state employment services for such people. For Freud, the private sector could be incentivized, given the right contractual arrangements, to improve performance and help more ‘hard-to-help’ people into wage work. The new (quasi) market in employment services would, among other things, be based upon outcome funding (payment-by-results); be funded from future benefit savings, thereby essentially removing the cap on the available funding; and have a funding model that would recognise that “some groups will be more expensive to help than others” (Freud 2007,

p. 58). It is a “quasi-market” because, among other things, it is paid for by the state and not the users of the services on offer (Le Grand 1991).

These recommendations were accepted by the then Labour government. The Department of Work and Pensions’ 2008 *Commissioning Strategy* report (Secretary of State for Work and Pensions 2008b), for example, made it clear that the government was in the business of creating a market in employment services for those workless people deemed to be the ‘hardest to help’, a market that it was “committed to... being here for the long term” (Secretary of State for Work and Pensions 2008b, p. 7), and one which Freud (2007) suggested would be worth several billion pounds per annum. For the DWP such arrangements would be superior because they could “exploit the benefits of contestability and competition to drive quality, performance and value for money” (Secretary of State for Work and Pensions 2008b, p. 5). Britain’s Coalition government took the ideas forward with the introduction of the WP in 2011 as a means of addressing what it perceived as the weaknesses of previous “welfare to work” schemes (DWP 2012a).

The delivery of the WP via the private sector means that the labour power of each conscript engaged in it can be bought and sold like any other commodity. In Britain the maximum fee that the government pays per conscript varies depending upon their adjudged distance from labour markets (as defined by their claimant group). So, for example, a young unemployed person attracts a maximum fee of £3,800. The receipt of the ESA or the receipt of the ESA following a transfer from IB, however, increases the fee attached to conscripts to £6,500 for people in the Work Related Activity Group of the ESA and £13,700 for those in the Work Related Activity Group *and* who have recently been transferred to it from IB (DWP 2012b).

Through competition among WP contractors successfully trading disabled people and other ‘hard-to-help’ workless people between themselves and employers, the exchange value

of disabled people is realized. Capital profits at both ends of the commodity exchange of the developing employment service market in the labour power of the 'hard-to-help'. WP providers profit through the realisation of the exchange value of disabled people. They essentially have to sell those disabled people not in wage work to employers. They profit in this through the value added by their own or sub-contracted employees. Meanwhile, employers hiring people from the WP profit from the surplus value extracted from their new employees.

5. Disabled people, commodification, and the reproduction of labour market disadvantage

Britain's *Daily Telegraph* newspaper (2 February 2008) explained Freud's general approach provided the principles upon which the WP is based in the following way: "Under his [Freud's] system, the market will decide who should receive benefit and who should go out to work. [Freud said] 'The private sector will have to start making assessments about who they can get back into work at what cost'". It is at this juncture that the idea of commodifying the labour power of disabled people through a quasi employment service market becomes particularly problematic. This is because there is a tension between the motivations of the private sector (the pursuit of profit) and the aim of the service - to get workless people into sustainable employment - that is embedded in a set of social relationships (Peck 1996).

As people not in wage work are heterogeneous and because there are many demand and supply side variables in getting people into work, inevitably it will be easier to place some people in work than others. The only way in a payment- by-results system to structure the market so that, from the state's point of view, it incentivizes desirable and disincentivizes undesirable behaviour, is to have, as we have seen, a tiered payment system in which the people deemed furthest from labour markets (the 'hard-to-help') attract the highest fees. The DWP (2012b) makes the point that the differential pricing structure ensures that "providers

have strong incentives to help all their customers, rather than focusing upon easier to help customers at the expense of the most vulnerable” (p.6). In other words, the price mechanism has to be set so that it is not only the labour power of people closest to labour markets that is sold to employers.

Theoretically, disabled people are the most valuable commodities in Britain employment service market, attracting the higher fees of up to £13,700 for being placed into sustainable employment. However, the evidence from various countries is that the price signals in payment-by-result employment service markets are often not strong enough to significantly improve the labour market position of people who are already disadvantaged in them (Lilley & Hartwich 2008). This means that such (quasi) markets are problematic for disabled people.

Although they are not the only ones (see e.g., Finn 2011 on ‘gaming’), the most important hazards for disabled people in employment service markets are ‘creaming’ and ‘parking’. These occur when “providers... concentrate their resources on participants who are more likely to achieve outcomes, whilst providing less or no help to those who require more (costly) support to generate a paid outcome” (Newton et al. 2012, p. 7). Evidence of creaming and parking in employment service markets comes from around the globe (see e.g., Finn 2011; Lilley & Hartwich 2008). Such potential risks were identified before the development of the WP in Britain. Freud (2007), for instance, made it clear that the introduction of outcome-based funding would mean a need to explore “the contractual incentive structure to minimise ‘creaming’ and ‘parking’” (p.75).

The evidence from Britain, however, is that creaming and parking are widespread in employment service markets. From their research with service providers, for example, Rees, Taylor and Damm (2013) note that creaming and parking are “embedded in the Work Programme and could be seen as a rational response to PbR [Payment by Results] since a

proportion of customers would always be very unlikely to get a job" (p.19). Disabled people are particularly disadvantaged.

Focusing upon the first 14 months of the operation of the WP (between June 2011 and July 2012), the Public Accounts Committee (2013) found that, not only was the WP performing poorly overall (its target to get people into sustainable wage work was missed by two thirds), it noted that the 'hardest to help', particularly disabled claimants, were "receiving a poor quality services, with providers focusing upon the easiest to help". The Committee argued that there was "evidence that those who are hardest to help are being parked with minimum support" (Public Accounts Committee 2013). WP performance has improved since the initial months, but the poorest performance is still related to disabled people (Centre for Employment and Social Inclusion 2013). For example, in their analysis of WP statistics from June 2011 to September 2013, Rees, Whitworth & Carter (2014, p. 235) found that 'disabled participants experience markedly lower job outcomes than non-disabled participants in every Work Programme contract'.

The reasons for this poor performance are often located in the price mechanism of the WP. So, for example, Heap was told by a DWP official:

...the differential pricing in the Work Programme contains a break against creaming and parking but the reality is there will still be creaming and parking within payment groups and often the differences between payment groups arguably are not enough to drive provider behaviour, something the providers themselves say. ...I think you're looking at 10-20% of participants that will effectively be written off. Providers are looking to get about 40% of their caseload into work and to my mind they can't afford to provide a bells and whistles service to everyone. ...What worries me is that they will appear two years later with two years more of not being in labour market, even more disadvantaged and you end up spending even more money. (Heap 2011, p. 14)

The effects of the price mechanism, however, are arguably a reflection of the extant disadvantages disabled people face in labour markets. The issue here is that the delivery of the WP by the private sector encourages a conservative approach (Grover 2009), because in considering in whom to invest time (and, hence money) and in whom not to, the commercial

imperative suggests that the people considered to be closest to the labour market, those who are most likely to secure wage work, will be supported. However, disabled people are much less likely to be in paid employment⁷. In commercial terms, this arguably makes disabled people a poor risk for interventions like the WP because their labour market disadvantage suggests that they will be difficult to place in sustainable wage work.

Essentially, the problem lies with the fact that labour markets organized under capitalism disable people. The intellectual roots of disability studies in historical materialism tell us this (Finkelstein 1980). More specifically, Barnes notes:

Within the UK and, indeed, much of western society since at least the 18th century, the meaning of work has been organized around a particular set of values and principles: namely, the pursuit and maximization of profit, waged labour and competition between individual workers. All of which effectively disadvantage or disable people with any form of perceived functional limitation/impairment, whether physical, sensory or intellectual, and the more overt the limitation/impairment the more severe the disadvantage or disability. (Barnes 2000, p. 445)

An approach that attempts to (re)commodify the labour power of disabled people via market mechanisms is likely to fail because it is those mechanisms that are responsible for the labour market disadvantage of disabled people. As such, rather than improving the employment position of disabled people, the WP “seems... to be reinforcing, exacerbating and making systemic the negative impacts of employment disadvantages” (Rees, Whitworth & Carter 2014, p. 236).

6. Conclusion

In recent years disabled people in Britain have faced significant changes to the out-of-work benefits that they can claim and to the mechanisms that are supposed to support them into paid employment. In this paper, however, we have seen that these developments - the introduction of the ESA and the WP - are more concerned with political economic issues that include the supply of labour and its relationships to the management of wage inflation, and

⁷ In the UK in 2012 46.3 percent of working age disabled people were in employment compared to 76.4 percent of non-disabled people (<http://odi.dwp.gov.uk/disability-statistics-and-research/disability-facts-and-figures.php>, accessed 22 March 2014).

the development of a new (quasi) employment services market. These developments are premised upon the commodification of the labour power of disabled people as something that they should be willing to sell in competition with other disabled and able-bodied people. They are supposed to be aided in doing this through the creation of a state-funded market in employment services that are directed at the 'hard-to-help'.

These changes have impoverished many disabled people because, as we have seen, one of their aims - to remove so-called 'perverse incentives' - was to reduce over the longer-term the amount of weekly benefit disabled people were entitled to. This contemporary restatement of financial 'less eligibility' was held to be crucial to the (re)commodification of disabled people. However, alongside this development we have seen that the WP is failing to support disabled people into sustained wage work. In other words, while the WP, as Rees, Whitworth & Carter (2014) argue, is entrenching the labour market disadvantages faced by disabled people, those who are not in wage work will in the future receive lower levels of state-sponsored financial support than they would have done had the ESA not been introduced. In addition, and driven by a programme of austerity-driven measures, disabled people face a further collective loss of income that has been estimated to be worth at least £9 billion between 2010 and 2015 (Wood 2012). The consequence of all these changes is

...declining mental health, exacerbated by fear for the future, of physical and emotional strain, as informal carers bear the brunt of losing the support and services they once relied on...it is become increasingly difficult for disabled people to participate in everyday family and civic life. This has all taken place against a backdrop of growing hostility towards those who claim disability and welfare support. (Wood 2012. p. 10)

The (re)commodification of the labour power of disabled people promises so much. However, it will do little to improve the economic and social position of disabled people because it relies upon market-based solutions for exclusion from wage work which itself, at least in part, is due to the operation of capitalist markets.

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