

## **Discussion Paper to Meeting with Dublin Employment Pact 31 January 2008**

### **Welfare Reforms, Incapacity Benefit Claimants and Job Rotation: New Opportunities for Labour Market Inclusion?**

**Dr David Etherington**

**CEEDR , Middlesex University Business School: d.etherington@mdx.ac.uk**

#### **Objectives of the Research**

1. To assess the use of Job Rotation within current welfare to work and skills policies;
2. Assess the validity and feasibility of using JR as an instrument of labour market policy for tackling worklessness and people with multiple barriers within health and social services.
3. From objectives 1-2 to consider possible framework for use and piloting JR in London.

#### **Methodology**

1. Undertake literature review, data and document analysis on JR.  
Undertake four *fact finding* visits; two to Scandinavia (Denmark and Finland), one to Ireland and one to Germany. These countries have deployed JR widely, in particular in the health, voluntary and public services and a tool for combating economic inactivity. The purpose of the visits is to talk to project managers and stakeholders who have been involved with JR. The applicant has previously had contact with the Danish unskilled workers union which has considerable experience of JR; the City of Helsinki Local Authority; the Dublin Employment Pact (which has framed the implementation of JR in Ireland); and Equal JR projects in Munich – this will address Objective 1.  
*Analyse selected UK case studies.* This will involve a fact finding visit to Lanarkshire JR projects as well as the Pathways to Work Pilot. It is proposed to visit the JR project in London implemented in North and West London Mental Health NHS Trust and meet with representatives and stakeholders involved with people with disabilities and provision of employment services (see below) – relates to Objective 2.  
For 2 and 3 above: face to face interviews will be undertaken with at least one representative from Pathways to Work (in Lanarkshire), training/skills including Scottish

#### **Background to the Development of Job Rotation**

Recent years have seen significant changes to labour markets in North America and Western Europe. As part of perhaps the biggest structural changes to welfare since the 1940s, the British Government has highlighted the need to reduce the barriers that prevent people on incapacity benefit from entering the job market, receiving training, and securing sustainable work (DWP 2006). The influential Leitch Review was also heavily critical of the fragmented nature of skills provision and lack of integration with employment services (Leitch 2006). The Department of Work and Pensions (DWP) has piloted since 2003 “Pathways to Work”, in areas where there are high concentrations of “worklessness” and people claiming Incapacity Benefit (IB). The pilots involve a co-ordinated approach between employment and health services to support people with health problems or disabilities in returning to sustainable work. The Pathways are to be rolled out throughout the country by 2008 and mark the government’s welfare priorities in tackling labour market exclusion.

#### **The Limitations of Work First Approaches**

‘Work First’ welfare proposals relating to disadvantaged groups have generated critical debate throughout Britain (Peck 2004, Preston 2006) and within the EU (Gallie 2004, Andersen and Etherington 2005) arguing that employment services are still inadequate in

relation to dealing with complex barriers to work and employer discrimination. Such policy and academic debates call for a supportive route into the labour market which can ensure more sustainable employment.

### **The Job Rotation Model**

Job Rotation (JR) has considerable potential as an 'employability instrument' to address labour market inequalities faced by people on IB. The model of JR that has been used to date is an integrated approach to employability, which enables delivery of training and employment, by releasing permanently employed staff for learning, while production/service delivery is maintained through the employment and training of formerly unemployed people. People benefit from training and personal development support which greatly enhances their prospects of job retention. Organisations benefit from the replacement of staff, the maintenance of production whilst permanent staff are on training, and also the potential of permanent employment the job rotatees (grants) A key element built into the JR model is the degree of intensive support and mentoring. Its particular relevance for the UK lies with its focus on sustainable employment, in work support and employment retention. Key features are:

1. JR provides tailored training for the unemployed whilst in work by providing a replacement worker to cover whilst existing employees are released on training.
2. Existing employees will improve their knowledge, skills and qualifications through supplementary training and general education, increasing effectiveness in their role and improving job security.
3. Job Rotation helps disadvantaged groups by providing a 6 month paid work placement (variable) along with the opportunity to improve their vocational skills and qualifications.
4. Job rotation enhances an unemployed person's portfolio of skill, knowledge and experience, and increases their employability, and their potential to secure sustained work.
4. JR meets three separate but interrelated needs of the local economy. Tackling unemployment, encouraging business development through staff training and learning and promote Lifelong Learning.
5. Employers reap the benefits of enhanced training for existing employees, and the enhanced capabilities of future employees.

### **Is Job Rotation Relevant for People on Health/Disability Benefits and the Long Term Unemployed?**

Given the focus and priority for moving people on IB into work it is timely to explore how JR can be integrated into the Government's New Deal for Welfare, and in particular public service employment. Health service (and local government) are the largest employers in local economies yet have an indifferent record in terms of employing people on IB. There is potential to recruit people with health difficulties in to an organisation which is highly flexible, has a massive range of jobs, well developed education structures and processes, and which could ultimately release IB funds for direct health & social care services (Lucock and Coyne 2006).