

# **Workers on the margins of the ‘Northern Powerhouse’ – precarious work, welfare, and austerity**

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# Introduction

- **Just Work project** – wider research programme across Greater Manchester including a focus on **workers on the margins of the labour market and benefits system**
- Focus on the role of **employer practices** in propagating precarious work; the influence of **state agencies**; attempts to counteract these problems from the **voluntary sector**

# Welfare reform since 2010

- **Austerity and welfare reforms:** reduction in coverage and generosity of benefits; tighter link with 'activation'; reduction in support services
  - Rising NMW to ensure 'work always pays'
- **Work programme** – large scale contracting out to prime providers, cheaper but mixed results, particularly for marginalised groups (IPPR 2014)
- **Universal Credit (UC)** brings together in and out of work benefits but demands full-time work (in one or multiple jobs) or 'work search' activity
- Evidence of arbitrary sanctions and **financial hardship** (especially those with disabilities) (Dwyer et al. 2018)
- 'Fetishisation' of work as both an economic and moral imperative (O'Leary, 2013) but strong emphasis on **supply side issues** such as skills and attitude

# Flexible labour markets and precariousness as ‘the norm’

- Emphasis on supply side **downplays role of employers in creating low paying and insecure work** (Campbell, 2017; Kalleberg, 2001)
- Pressure on job seekers to increase hours and earnings **weakens bargaining power** (Grady 2017; Rubery et al. 2018)
- Low and variable earnings contribute to high levels of in-work poverty and **impede long-term planning** (Shildrick et al. 2010)
- **Lack of progression routes** – particularly for women, low skilled, disabled workers (McVicar et al. 2017)

# The changing dynamics of worker support

- Formal employment services marketised and standardised – neglects those with complex needs (Greer et al, 2018)
- Important role for **VCS services/networks** to support those out of work/looking for work
  - Navigating welfare system and job search
  - Training and advice
- Advocacy and legal support – **tackling wage theft and exploitation** (Lesniewski and Canon 2016; Peck and Theodore, 2012)
- Campaigning and **contesting austerity** (Bailey et al, 2018)

# Methods and data collection

- What are the experiences of those on the margins in GM – work, welfare, support
- What employment choices and aspirations – good and bad jobs
- Perceptions of support services and VCS
  - Interviews with local policy makers
  - Interviews with VCS organisations
  - Interviews with job seekers – Salford, North Manchester

# Good jobs and bad jobs

- Many workers **moved between low paying jobs** in cleaning, catering, care, warehouses – hoping to find similar work
- A view that ‘churn’ and **low commitment employment relationships were normal** in some industries/areas– succession of short-term jobs that end suddenly
- **Common experiences of arbitrary management power**, favouritism, lack of HR procedures – several reported being sacked without warning or notice
- **Wage theft** an issue for some (esp. short-term jobs)
- **Good job** is one that pays minimum wage, stable hours important, treated with fairness and respect
- **Retail work** prized by some – but not easy to get into, and difficult for those lacking confidence/social skills – wider job losses in sector as an ongoing challenge

# Employer practices as a barrier

- **Common experiences of arbitrary management power**, favouritism, lack of HR procedures – several reported being dismissed without warning or notice
- **Wage theft** an issue for some (esp. short-term jobs)
- **Work Programme** – placements reported with unscrupulous employers
- **Indebtedness** relating to equipment, vehicle hire, expenses not refunded during transition to work from benefits



# The voluntary sector: potential and challenges

- *‘the assumption was that somehow, if the public sector had fallen over, don’t worry, voluntary groups will pick it all up, they’ll be able to do it all instead, which, of course, is ridiculous.’* [Senior Manager, local voluntary organisation network].
- Decline and crisis of NGOs locally and their failing capacity to engage large parts of the labour market and marginalised communities.
- Retrenchment of state support, and shift to on-line self help has badly hit deprived areas (lack of access)
- Voluntary sector with physical presence in communities is critical for work and emotional support given punitive nature of state agencies

# Discussion and conclusion

- Greater Manchester's 'new' economy – prevalence of casual, low paid work within wider 'regeneration' of the labour market
- Precarious work – social costs
- Key role of 1)the social security system; 2)employers themselves
- Casualised employment relationships, worker vulnerability and employer power
- Increasingly diversified employment services – private firms, voluntary organisations, Work Programme relationships with employers
- Marketised system structured by punitive, residual welfare state actors