

Benefits conditionality for disabled people: Stylized facts from a review of international evidence and practice

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Abstract

While behavioural conditionality for disability benefit claimants has been increasing, there is little evidence as to its implementation or impacts. This paper therefore summarises existing studies, alongside an international review based on 140 documents and 38 expert interviews, into four 'stylized facts': (i) requirements for disability benefit claimants are common, but sanctioning is rare; (ii) assessment and support are critical for implementing conditionality for disabled people; (iii) the limited existing evidence suggests that sanctioning may have zero or even negative impacts on work-related outcomes for disabled people; and (iv) there is little evidence on wider outcomes. It concludes by stressing the need for further research.

Introduction

Over the past twenty-five years, there has been an increasing turn towards behavioural conditionality in the benefits system (Clasen & Clegg, 2011:338), in which claimants are required to carry out work-related activities under the threat of cuts to their benefits ('sanctions'). While this initially focussed on unemployed people and single parents, there has been a more recent move to extend conditionality to disability benefit claimants, not just in Anglo-Saxon countries but also in Scandinavia and beyond. This has been actively encouraged by the influential international think-tank the OECD, which has argued that *"helping jobseekers with mental health conditions should be achieved by...avoiding, as far as possible, exemptions from job-search and participation requirements"* (OECD, 2015:150), or in more detail:

"The operation of a disability benefit scheme [presently] differs drastically from that of an unemployment benefit scheme, with strict participation requirements in the latter but not in the former. This difference is justified for people who are unable to work but not for the much larger number of those who have partial work capacity... [Instead] benefit payments should be linked to the willingness of the beneficiary to co-operate with the responsible authority and engage in employability-enhancing and, where appropriate, job-search activities" (OECD, 2010:13)

Yet despite these strong prescriptions and a growing international trend, the OECD present only high-level discussions about the implementation of conditionality for disabled people, and present no direct evidence on its impacts. In this paper – which also serves as an overview for this special issue that follows – I review published evidence and case studies of international practice to present a series of 'stylized facts' about disability and conditionality (an approach taken from Martin, 2015).

This partly comes from a review of the existing academic and grey literature, and partly from a wider international review of disability assessment in 10 countries (the Netherlands, Germany, Denmark, Sweden, Norway, the USA, Canada, the UK, Australia and New Zealand), which includes 7 of the 9 countries with the most activating disability benefit systems according to the OECD (2009:232). Understanding of each case was primarily obtained from documentary analysis, with over 140 documents reviewed, supplemented by 38 expert interviews. Understanding the context of individual policies is always challenging in international research, and the broad international scope necessarily comes at the price of depth.

Policymakers must also consider the *ethics* of conditionality. Some have objected to conditionality for disabled people given disabling societies and discriminatory employers (Patrick et al., 2011), while others argue that conditionality is necessary for legitimacy (Pickles et al., 2016). Yet these ethical debates are themselves often bound up with the empirical evidence – whether conditionality can be implemented fairly, and whether it has positive outcomes for both the state and for benefit claimants themselves (Molander & Torsvik, 2015). This paper therefore focuses on the evidence itself, to enable others to subject potential policy reforms to context-specific, evidence-informed ethical analysis.

How common is conditionality for disabled people?

Disability benefits

Where conditionality for sick/disabled (hereafter ‘disabled’) people exists, there are one group of disabled people who are required to take steps towards work, alongside another group of disabled people who are exempt. Those subject to conditionality are either separated into a particular category within the disability benefit (the UK), separated into a sickness benefit (the Scandinavian countries), or put on a wider benefit that also includes people without disabilities (Australia/New Zealand). Whichever structure is used, the on-paper requirements placed on disabled people are often based on the ‘rehabilitation-before-benefit principle’ (OECD, 2010:107). For example:

- In Australia, all but the most severely disabled people are required to show ‘active participation in a program of support’ for 18 months before being eligible for the disability benefit (Department of Social Services, 2016). During this time they claim Newstart Allowance alongside single parents and unemployed people, with conditionality requirements being lessened for 19% and temporarily suspended for 17% of claimants at any one time (Australian Bureau of Statistics, 2016). Young (under-40) disability benefit claimants are also required to attend work-focused interviews.
- In Norway, when people move on to the long-term sick leave benefit after one year, they are required to participate in work-related activity based around an individual action plan (OECD, 2013a: 161). This is similar to the system in Sweden, where many people on sick leave are required to attend a face-to-face meeting (‘Sassam’), where non-participation can result in sanctions (Engström et al., In Press).
- In Denmark, people are referred to a multidisciplinary rehabilitation team assessment after an initial period of sickness absence. The assessment is not meant to award people a disability pension until all efforts at rehabilitation have been exhausted, instead sending them on a rehabilitation programme that they are required to participate in (see below). While individuals can refuse medical treatments, they are required to accept non-medical health-related treatments (Beskæftigelsesministeriet, 2016).

An alternative to the rehabilitation-before-benefit principle can be found in the UK, for which disabled people are sorted into those subject to conditionality (known as the ‘Work-Related Activity Group’ or WRAG) on the basis of a functional capacity test. I go into more detail about these systems in the section on implementation below.

While *requirements* are common, actual *sanctioning* of disabled people seems rare. For example, Germany has a conditional unemployment benefit with high levels of sanctioning – over 100,000 claimants had their benefits reduced in 2015, and over a million sanctions were applied (Bundesagentur für Arbeit, 2016). However, only 8,700 sanctions were for failures to report for the medical or psychological service. Examining this is harder elsewhere, as most countries do not publish data on sanctions for disabled claimants. Nevertheless, there are anecdotal reports from the Netherlands (NVVG, 2010), Germany (Aurich-Beerheide & Brussig, this volume), Denmark (Mehlsen et al., 2015), Norway, and Sweden that sanctions are uncommon for disabled people, for reasons we explore more fully below. Claimants may still be worried about the possibility of sanctions (e.g. Breimo, 2016:71 on Norway), but the sanctions seem to be rarely carried through.

The exceptions to this are Australia and the UK, both of which publish unusually transparent data. In Australia, nearly 150,000 sanctions were applied in the first quarter of 2016 to claimants who are likely to have a disability (claimants in jobactive stream C or with Disability Employment Services), about one-quarter of all sanctions (Department of Employment, 2016). These are predominantly temporary suspensions until the claimant starts complying, but a substantial minority are longer-lasting. Moreover, over 10,000 jobseekers in this period were sanctioned after giving a medical reason for non-attendance that was not accepted as reasonable.

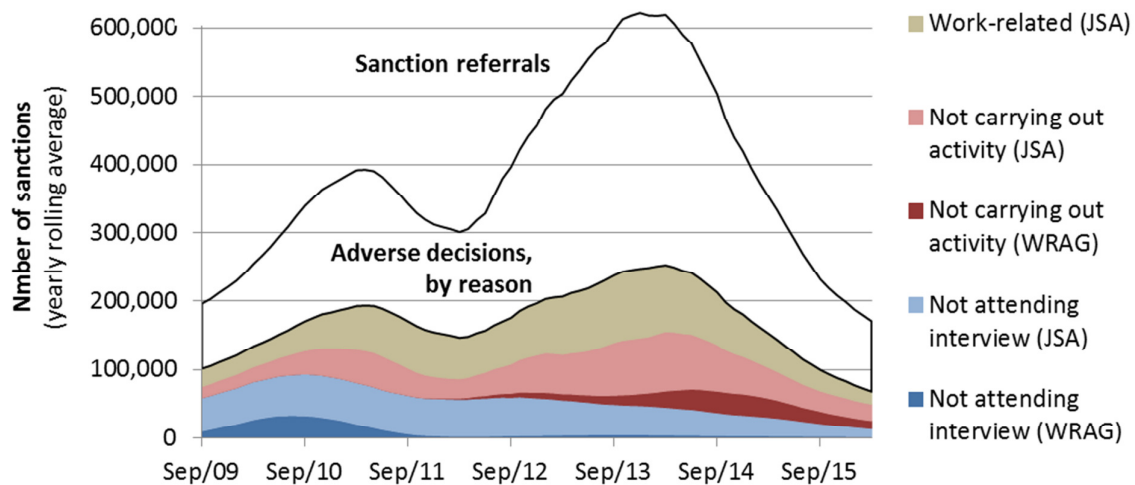
Sanctioning of disabled people is also prevalent in the UK. At its peak in August 2014, 125,000 disability benefit (WRAG) sanction referrals were being made each year, resulting in 35,000 adverse decisions (see Web Appendix 1 for sources); in the remaining cases, claimants had either left the benefit or it was decided that there was 'good cause' for non-participation. While sanctioning is still rare even among WRAG claimants (3% were sanctioned in 2014/15, Webster, 2015), it is clearly happening at a non-negligible scale.

Non-disability benefits

Some disabled people are also subject to conditionality within *non*-disability benefits after being assessed as fully capable of work, especially as many countries have tightened eligibility for disability benefits (Clasen & Clegg, 2011:338). For example, 20% of unemployment benefit claimants in the UK self-reported a disability in 2014 (see Web Appendix 1), while in the US, 25% of disabled people claim a non-disability benefit such as food stamps (SNAP), TANF or unemployment insurance (Houtenville & Brucker, 2014). Conditionality on these benefits is sometimes more demanding (and incurs greater penalties) than on disability benefits. However, there are often few data available.

The UK is again an exception here, which publishes transparent figures on sanctioning among unemployment benefit claimants who self-declare a disability. The figures show that throughout 2000-2015, 20-30% of unemployment benefit sanctions have been applied to disabled people. In total, across disability and non-disability benefits, 170,000 sanction referrals are made about disabled people in the UK every year (down from a peak of 620,000), of which 90,000 (250,000 at the peak) were subsequently confirmed as a sanction, as shown in Figure 1. While failure to attend an adviser interview was the main reason for sanctions in the early part of the period, failure to participate in work-related activity became a more important reason within both disability and unemployment benefits from 2011 (due to the introduction of the contractor-led 'Work Programme').

Figure 1: Sanctions given to disabled benefit claimants in the UK, by benefit & reason (yearly rolling averages)



Author's analysis of DWP Stat-Xplore 11/9/2016. For further details, see Web Appendix 1.

How is conditionality for disabled people implemented?

The international literature has often distinguished two ways in which activation can be implemented: one that invests heavily in human capital, and one that relies on conditionality/sanctioning (Dingeldey, 2007). However, this may be misleading because (as Dingeldey argues) states can become *both* more enabling *and* move towards workfare. Moreover, when we focus on disability, the critical issue is investment in assessment (in order to assess what people are capable of) and employment support (in order to have suitable activities to require them to do), rather than human capital in general. In the following section, I argue that there are three different models of implementing conditionality for disabled people, which vary according to the level of sanctioning on the one hand and the level of assessment/support on the other.

Model #1: Intensive assessment and support

The first model of conditionality can be broadly characterised as providing intensive assessment and rehabilitation support to disabled benefit claimants, which they are then obliged to take up. One model of this comes from **Denmark**, where claimants are only eligible for a disability pension if rehabilitation has previously been attempted (or would be unexpected to have any effect), and almost no under-40s are initially eligible. Instead, the assessment usually decides on appropriate, mandatory rehabilitation activities. Sanctioning practices seem to vary by municipality; some municipalities do not even threaten sanctions as they feel this is counterproductive, whereas other municipalities use threats for those who are not motivated to participate (Mehlsen et al., 2015). Even in the latter case, however, sanctions themselves are rare.

Investment in expert assessment is central to the Danish process. Caseworkers are firstly obliged to complete a preparatory rehabilitation plan with the claimant, based on a one-hour interview (OECD, 2013b:102). This is then fed into a multidisciplinary rehabilitation team, which in practice includes 4-

6 people representing multiple sectors such employment, health, social services and education (Deloitte, 2015). The other crucial element is employment support, and the multidisciplinary rehabilitation team have three options open to them. Firstly, in the common situation that an individual's work capacity is unclear, they can be sent on a work trial/work test ('arbejdsprøvet/arbejdsprøvning'), after which the clarified understanding of the individual's work capacity is fed back into a future meeting. Secondly, individuals can be sent on Resource Activation ('Ressourceforløb'), a rehabilitation programme lasting for one to five years. Third, individuals with some work capacity but who would be unable to get a job in the open labour market can be put on the 'Flex-Job' scheme. This provides considerable subsidies to employers to employ disabled people with as little as 1hr/week work capacity. Activation here is closely linked to conditionality; indeed, even before the latest round of reforms, jobcentre executives in 2008 agreed that one of their most important jobs was 'to use activation as a work-test' (Bredgaard & Larsen, 2008)

Similar processes can be found in the WeCARE programme for welfare (TANF) recipients in **New York City**, where unlike in the majority of US states, disabled claimants are required to participate in TANF. Again, there is investment in assessment (a biopsychosocial assessment with a certified physician), and employment support (condition management supported a case manager (Collins, 2015)). It seems that conditionality is relatively gentle – people can reschedule appointments easily – although the provider also meets their contractual obligations to closely monitor the time that claimants spend on work-related activity. Another example comes from the **Netherlands**, where claimants can again be sanctioned if they refuse to participate. However, official guidelines make clear that four steps are necessary before the conclusion that participation behaviour is inadequate, with each step encouraging the participant to resume participation (NVVG, 2010). It is only when all of these steps have failed that sanctions can be applied, and as a result, both claimants and insurance physicians report that sanctions are rare (NVVG, 2010).

It is difficult to know if the WeCARE, Dutch or Danish systems are successful. There seems to be no current public criticism of WeCARE, which is striking given that they were subject to a successful class action disability discrimination lawsuit in the 2000s (for requiring people to go to offices far away from their homes). There has been public criticism of the Danish system, but not because of sanctioning; instead concerns have been about the appropriateness of forcing people with very low work capacity to go through a practical work evaluation or Resource Activation – in one widely-reported case, a capacity to work of half-an-hour, twice-per-week (Lauth, 2015). Furthermore, it does not seem that sanctioning is widespread (see above), and there are questions about the system's effectiveness (see below). Still, from an implementation perspective, the Danish system and other examples such as New York and the Netherlands exemplify a form of conditionality that seems to require people to do activities that they are capable of by investing in assessment and employment support. This provides a benchmark for implementation against we can now compare the other systems.

Model #2: low investment and low sanctioning

Where there is less investment in assessment and rehabilitation, it becomes more difficult to require disabled people to undertaken a given activity – partly because it is less clear to frontline staff if the person in question is capable of the activity, and partly because suitable activities to refer them to may not exist. Frontline staff may respond by simply not implementing conditionality in the way that formal policies propose, as occurs to some extent in Norway and Germany.

On paper, the **Norwegian** Work Assessment Allowance (WAA) is one of the most activating disability benefits worldwide. As the OECD (2013a: 161) have approvingly noted, WAA is a conditional disability benefit based around a mandatory activity plan, and there is sufficient investment in rehabilitation services that frontline staff can refer WAA claimants to suitable work-related activities. (There are only a few exceptional circumstances where people can claim the benefit without having a plan, primarily during waiting periods; NAV, 2015). Many of the letters from the social insurance agency repeat that complying with the activity plan is a condition of receiving the benefit, and it does appear that disability benefit claimants do feel that they need to comply with their individual action (Breimo, 2016:71). After a maximum of four years, claimants are either found capable of work, found eligible for the permanent disability pension (with no activation requirements), or their work capacity is not considered to be clarified, in which case they often move onto social assistance.

In practice, however, even the OECD (2013a:154) concede that *“implementation of the procedure has been a challenge”*. The assessment of work capacity relies on frontline workers who are often unsure of a person’s work capacity (Gjersøe, 2016). Moreover, even where frontline workers are convinced that a person is unemployable, they do not want refer someone to a disability pension if this might be denied by the back office. This is partly because they do not want an unemployable claimant to be in a financially precarious position, and partly because denied disability pension applications must leave WAA in order to reapply, which only serves to generate more work for frontline workers (Gjersøe, 2016:138). As a result, activation of disabled people can become a way to let claimants ‘float’ (as one advisor in Gjersøe 2016 put it), and is used to build evidence of unemployability for a disability pension application, rather than helping claimants move towards employment. Unsurprisingly, a government-appointed committee has recently argued that assessment and activation need to be reformed (Vångeng Expert Committee 2015, cited by Gjersøe, 2015:12).

Similar issues can be seen in **Germany**. While this another oft-cited example of rehabilitation-before-benefits (OECD, 2010:108), in practice conditionality is limited. Partly this is due to problems with assessment of work capacity, which is done by a pension fund doctor who crudely reports the number of hours per day that a person is capable of working. This gives relatively little guidance about activation to frontline workers, who themselves have limited expertise in health-related issues and limited time to build up a rapport with the claimant, and struggle to effectively use the specialist medical services available (see Brussig & Aurich-Berheide, this volume). Moreover, it seems that people with health problems are generally protected by jobcentres, who have considerable discretion and whose incentives motivate them to only use sanctions where they feel this will get people into work – something they seem to feel often does not apply to those with more limited working capacity. The rehabilitation that is supposed to occur before disability pensions is also hamstrung by complex inter-organisational governance issues (where rehabilitation is often the responsibility of a separate agency), which reduces its potential effectiveness (Rauch & Dornette, 2010).

Model #3: high sanctioning despite low investment

The previous section suggests that a lack of investment in assessment and rehabilitation makes it difficult to implement conditionality in practice. However, in other systems not only are requirements placed on disabled claimants despite problems with assessment or rehabilitation, but non-negligible numbers of claimants are sanctioned. This comes at a cost: it seems less likely to help

disability benefit claimants towards employment (as we discuss below), and may place requirements on claimants that some are simply unable to meet.

The UK seems to exemplify this. The decision about whether claimants should be subject to conditionality at all (whether on unemployment benefits or the 'WRAG' group of disability benefit claimants)¹ is governed by a functional capacity assessment that has been beset by problems, and which simply does not directly assess people's capacity to undertake work-related activity (Baumberg et al., 2015). Once claimants are allocated to one of these groups, decisions about conditionality depend on frontline staff (and Government 'decision makers' who confirm sanctioning decisions). The UK is not unique in depending on frontline staff, but this has caused particular problems because frontline staff:

- ...are often low-skilled and have little health-specific training, particularly for the unemployment benefit. While more skilled disability employment advisors do exist, they are inconsistently available and inconsistently used.
- do not always have sufficient discretion. Until March 2015, unemployment benefit claimants were not allowed to have more than two periods of two weeks' sickness without becoming ineligible for the benefit, and frontline staff did not realise they could tailor conditionality for those with health conditions/impairments (Work and Pensions Committee, 2014:37). For disability benefit and unemployment benefit claimants on the contractor-run 'Work Programme', contractors were *required* to refer claimants for possible sanction even if the contractor believed there was good reason for non-participation.
- ... have sometimes been monitored against performance standards that included sanctioning rates (PCS, 2014). While not formally a 'target', this nevertheless seems to have strongly influenced the behaviour of frontline staff to sanction claimants even if they did not judge this would help move claimants towards work.

Alongside these challenges around assessment, there have been challenges in providing appropriate employment support for disabled people. Some intensive support exists, but most disabled claimants have been placed on the contractor-run 'Work Programme', where there have been complaints about the quality and appropriateness of support, where and employment outcomes for disabled people have been consistently low (e.g. Public Accounts Committee, 2014).

While sanctioning is only applied to a small minority of claimants (see above), the non-negligible sanctioning rate has resulted in a number of cases where conditionality seems to have been inappropriately applied to disabled people, particularly on the unemployment benefit. For example, a recent qualitative academic research project interviewed 56 disabled unemployment and disability benefit claimants, of which 21 reported being sanctioned:

"Those who had been sanctioned reported being unable to attend appointments due to ill health, or being unaware of appointments. The latter could be due to poor communication (including

¹ Requirements are more demanding on unemployment benefits (where claimants can be required to take particular jobs), and the sanctions more severe (on unemployment benefits claimants lose their entire benefit for 4-52 weeks; on disability benefits they can lose about two-thirds of their benefit (soon to rise to the full benefit) for 1-4 weeks. Around 40% of JSA sanctionees and 10-20% of WRAG sanctionees receive hardship payments (Webster, 2015:8-11).

letters going missing in the post) or not fully understanding the behavioural requirements attached to benefit receipt. Accordingly, they were unanimous in stating that their loss of benefit was inappropriate" (Dwyer et al., 2016)

Similarly, a convenience survey of 500 WRAG claimants found that many felt that the work-related activity was not tailored to their capacities (Hale, 2014), and a Parliamentary Select Committee found that it was not uncommon for those with mental health conditions and learning difficulties to be set inappropriate requirements that resulted in sanctions (Work and Pensions Committee, 2015). While these reports are not necessarily representative, and many only consider the claimant perspective, such practices would not be surprising given the design of the system. Indeed, official statistics suggest that the sanctioning rate for disabled people on the unemployment benefit is 25-50% *higher* than for non-disabled people (see Web Appendix 1), although this has been reducing over time, as has the overall sanctioning rate. These concerns do not seem to exist on this scale in other countries in which disability conditionality exists, where and sanctioning seems to be an emergency backstop for wholesale noncompliance with rehabilitation (following expert assessment), rather than a non-negligible response by less well-trained staff to minor noncompliance.

In **Australia**, there seems to be a greater level of investment in Disability Employment Services for those disabled claimants subject to conditionality. Nevertheless, in a recent consultation there was 'widespread, almost universal concern' about the benefit eligibility assessment (Department of Social Services, 2015:3). Many stakeholders reported that assessments were done on a tick-box basis, sometimes not face-to-face, nor by appropriately expert assessors, and based on a 'confusing' categorisation of claimants based on the hours/wk that they are seen to be capable of – with the result that claimants were being referred to 'inappropriate services' (ibid, p4).

It is unclear whether this currently leads to inappropriate sanctioning in Australia. Historically there have been complaints that this sanctioning has not been consistently fair for those with mental illness or at crisis periods (Jones et al., 2007), and the OECD have noted that some welfare-to-work providers described sanctioning practices at times as 'deeply flawed, punitive, damaging, and causing significant detriment and harm' (OECD, 2012:157-163) – particularly for those with learning difficulties or mental health problems that are not necessarily disclosed (Disney et al., 2010). Yet welfare-to-work providers at other times have complained that conditionality is too easily circumvented by citing illness (Disney et al., 2010; OECD, 2012:157-163), and it seems that the extensive use of individual exemptions may partly mitigate problems with the assessment (McClure et al., 2015:133). Overall, it is clear that there are non-negligible rates of sanctioning of disabled claimants (see above), but there is too little recent research to know if the implementation difficulties exist to the extent as in the UK.

What impact does conditionality have on disabled people?

In examining the evidence base about the effect of conditionality for disabled people, there are four key questions. Does conditionality increase employment for non-disabled people, for which there is a relatively extensive evidence base? How far would we expect this wider evidence on conditionality to apply to disabled people? Is there any direct evidence that conditionality specifically for disabled

people improves employment outcomes? And what are the wider impacts of conditionality likely to be?

Does conditionality increase employment among non-disabled people?

Over the past decade, a number of studies have looked at the impact of sanctioning on employment outcomes among unemployment or social assistance benefit claimants. There are several methods that can be used. One is to compare the outcomes of claimants who are sanctioned compared to claimants who are not, but even when this is done well (e.g. Wu et al., 2014), it is difficult to be confident that we are picking up the effect of sanctions rather than differences in the sort of people who are sanctioned. Instead, more robust studies look at the impact of the timing of sanctions on the benefit trajectories of sanctioned claimants, or look at natural experiments such as randomised policy pilots (or failing that, quasi-experiments such as local variation in sanction rates), which has the added advantage of enabling us to look at ‘threat’ effects on those who are not sanctioned. None of these methods give us absolute certainty, but these give us the strongest basis we can have for understanding the impacts of sanctioning (Griggs & Evans, 2010; McVicar, 2014).

This evidence clearly shows that sanctioning increases short-term job entries. A recent review of 14 studies found this consistently irrespective of the method used (National Audit Office, 2016), while another review described the evidence as ‘compelling’ (Griggs & Evans, 2010). There are however two caveats to this:

- *While sanctions cause some people to leave benefits for work, they cause other people to leave benefits without having a job.* This has been shown in several studies (e.g. Arni et al., 2013; Busk, 2016; National Audit Office, 2016), and may be particularly strong for (though not restricted to) more advantaged claimants (Busk, 2016).
- *While sanctions increase employment, they cause people to be in worse (lower-paying, more unstable, more part-time) jobs.* While Arni et al’s (2013) study is often cited here, there are several other studies that come to similar results, for example showing that increased days in employment translated to weak or zero gains in earnings (National Audit Office, 2016), or that sanctioning led to considerable increase in part-time rather than full-time work (van den Berg & Vikström, 2014). While one recent paper argues that these effects are simply because sanctions move people with historically lower earnings into employment (Lachowska et al., 2016), recent reviews share a consensus that short-term positive effects of sanctioning on employment need to be balanced against longer-term negative impacts on earnings (Griggs & Evans, 2010; McVicar, 2014; National Audit Office, 2016).

While I have here concentrated on the evidence on sanctioning, the smaller evidence base on jobsearch requirements shows similar (if slightly less consistent) results (McVicar, 2014).

Would we expect conditionality to increase employment for disabled people?

At its simplest, conditionality is based on three assumptions: that it will make claimants less selective about the jobs they are willing to take, try harder to find work (Arni et al., 2013; Griggs & Evans, 2010), and take fuller advantage of the support available to them. However, this has to be balanced against other mechanisms at play. Being less selective about jobs may make people move into work more quickly, but it may also lead them to into poorer job matches, taking worse jobs that waste some of their human capital (Arni et al., 2013). There may be a ‘lock-in effect’ of work-related activity that diverts jobseekers from looking for suitable work (Molander & Torsvik, 2015). It may

also undermine their relationship with their caseworker, which evidence suggests is one of the most important elements of employment support services (Hasluck & Green, 2007), and more generally lead to more superficial compliance with (or even disconnection from) government-provided support.

The balance of these effects for non-disabled people was summarised in the previous section. The critical question here, however, is whether this balance will be the same for disabled people. It has been argued that there are many people with partial work capacity who do not voluntarily take up support when it is offered, hence conditionality could have positive effects for disabled people (Martin, 2015). However, other *a priori* considerations suggest a more negative effect.

Partly this is because it is harder to apply conditionality fairly for disabled people – and unfair conditionality is unlikely to have positive impacts. This is even accepted by those in favour of conditionality; for example, a UK pro-conditionality think-tank conceded that “*it is undoubtedly the case that misapplied, conditionality runs the risk of worsening the position of the most vulnerable claimants*” (Pickles et al., 2016:43). As the international examples above show, it is neither cheap nor simple to ensure that disabled people are only required to do things they are capable of, linked to suitable employment support. Moreover, people with certain sorts of disabilities (e.g. cognitive impairments) may not be consistently aware of the requirements being placed on them, as has been reported in the UK (Dwyer et al., 2016) and Australia (Disney et al., 2010; Jones et al., 2007). Conditionality is much more likely to have positive impacts on employment if it is fair and clearly understood, and this requires some investment.

More importantly, though, many welfare-to-work professionals, disability charities and disabled people themselves think that conditionality is not suited to the employment issues facing disabled people (Mehlsen et al., 2015; Work and Pensions Committee, 2016, #66). Conditionality implies that disabled people are partly out-of-work because of a lack of motivation, which has been criticised for ignoring the real barriers they face (e.g. Garthwaite, 2014; Patrick et al., 2011). But even where claimants have some work capacity and may be able to get a job, they are often uncertain about their capacity to work and require considerable support. Claimants’ relationship with their caseworker becomes critical, as does their willingness to experiment with a job in a safe context in which failure is not punished (arguably a key component of the success of the IPS model; see Nygren et al., 2016). Conditionality can undermine both the relationship with the caseworker (Work and Pensions Committee, 2016, #16) and this willingness to experiment. Rather than encouraging claimants to move towards work, it can lead to fear and anxiety (see below), prompting people to ‘hunker down’ (in the words of Paul Gregg, one of the architects of the UK’s conditionality system²).

Direct evidence on conditionality for disabled people

This makes it crucial to have direct evidence on the impact of conditionality on disabled people, and while such evidence is rare, a small number of studies have recently been published. (National trends and policy evaluations of combined conditionality+support reforms such as ‘Pathways to Work’ in the UK³ have been as evidence for the effectiveness of conditionality (OECD, 2010:108;

² See <https://inequalitiesblog.wordpress.com/2012/09/27/paul-gregg-disability-employment-speech/>

³ It is worth noting that the claimed success of Pathways is highly debatable – while earlier evaluations were primarily positive, later evaluations were not, and the National Audit Office (2010) ultimately branded Pathways a failure. A separate conditionality+support pilot (SVLTU) did produce an increase in the number of

Pickles et al., 2016:41). However, I do not consider this evidence here, as the contribution of conditionality itself is unclear (as the OECD, 2010:108 admit)).

Four studies look at the introduction of mandatory activities for sick and disabled people, in Sweden (Engström et al., In Press), Denmark (Rehwald et al., 2015), Norway (Markussen et al., 2015) and Australia (Broadway et al., 2014). The target group for the reform was either those near the start of sickness absence (all sick leave claims in Denmark, vague sickness diagnoses in Sweden), after six months of sickness absence (Norway), or young disability benefit claimants (Australia). For Norway, Sweden and Australia, the policy being evaluated was a compulsory rehabilitation-focused meeting, while in Denmark the policy was much more intensive, involving weekly meetings and the requirement to be participating in a return-to-work programme to continue claiming the benefit. Some discretion was usually allowed, hence not all claimants were required to undergo conditionality.⁴ The studies were varied in their methodology, being based on either variation across geography and/or time (Norway), comparing similar groups not affected by the reform (Australia), or randomised policy trials (Sweden and Denmark).

In contrast to the studies of non-disabled people above, some of these studies show *negative* impacts of conditionality on disabled people. This includes the only study that looks at the effects of mandatory work-related activities, rather than just rehabilitation-focused meetings (the Danish study of Rehwald et al., 2015). Such conditionality led to sick claimants spending one week *less* in regular employment in the following year (5% less than the control group), with similar effects after two years (though the effect had effectively worn off by the third year).⁵ The Swedish trial (Engström et al., In Press) also found that mandatory activation interviews led to *higher* levels of later disability pension receipt, though they only mention employment outcomes in passing. The other two studies show slightly different results. The introduction of mandatory interviews for young disability benefit claimants in Australia led to increased referrals to disability employment services, but had no significant impact on employment or earnings (Broadway et al., 2014). This leaves the Norwegian study (Markussen et al., 2015) as the single study that found positive impacts on return-to-work from sickness absence, and in the longer-term, also a small reduction in disability benefit claims.

Beyond these studies of mandatory activities, there is also a single study that looks at the impact of sanctioning on disabled people, conducted by the UK National Audit Office (2016). This uses a strong design, exploiting the random assignment of disability benefit claimants to employment service providers (with different sanctioning referral rates) within an area. They found *negative* impacts of sanctioning on employment outcomes among disability benefit claimants, which seem to increase over time. Sanctioning referral rates may reflect other factors that influence employment rates (e.g. quality of employment support), although the study does control for both differences in claimant characteristics and differences in the provider's overall performance. Still, given that the NAO study

days in work in the following two years for disabled people claiming unemployment benefits, but found no impact on employment among disabled people at the end of the follow-up period (DWP, 2013).

⁴ Exemptions were 13-30% in Norwegian municipalities (after 6mths sickness absence) and 17% in Denmark (at the start of sickness claims).

⁵ Rehwald et al further focus on the differences between different types of mandatory activities (finding some are harmful and others beneficial), but these results can no longer exploit the randomised nature of the intervention and are therefore subject to greater possible biases.

also shows positive impacts of sanctioning on employment for non-disabled people, the study strongly suggests that the employment consequences of sanctioning may be much worse for disabled than non-disabled people.

Overall, the limited but methodologically strong evidence that exists suggests that the employment effects of conditionality are much less positive for disabled than non-disabled people. Two studies even suggest that more demanding forms of disability conditionality (such as in Denmark and the UK) are counterproductive, reducing levels of employment among sick/disabled people. The four other studies show a mixture of negative, positive and null results; the one unambiguously positive impact (in Norway) may suggest that less onerous conditionality in a supportive context may have positive effects, or may simply reflect a weaker methodological approach.

What are the wider effects of conditionality on disabled people?

The final element to consider is whether conditionality has any wider impacts. Ignoring outcomes such as child welfare and crime where only one study for non-disabled people exists (see Griggs & Evans, 2010), I concentrate on two key outcomes: income/destitution and health.

Given that sanctioning involves withdrawing money from people who lack jobs (and also raising the numbers of people without work or benefits), there is a clear mechanism by which sanctioning affects income. This will partly be mitigated by other sources of support, but it seems unlikely that such support is universal. It is therefore unsurprising that e.g. one recent area-based study in the UK has found that increased sanctioning of unemployment benefit claimants led to greater food bank use (Loopstra et al., 2016). For disabled people, the issues may be even more acute, given the greater costs of disability, and the greater challenges that many disabled people have in the labour market. A qualitative study (also in the UK) has found that disabled benefit claimants who had been sanctioned struggled financially, sometimes with very damaging consequences (Dwyer et al., 2016).

Conditionality may also negatively affect disabled people's health. Partly this may stem from financial issues following sanctions (as in one prominent UK case⁶), but it may also come from the stress of conditionality itself. The rollout of a new disability assessment in the UK has been linked to suicides and mental ill-health (Barr et al., 2016), and while much of this effect is likely to be around financial worries around benefit eligibility (Garthwaite, 2014), there also seems to be considerable anxiety around the conditionality regime that accompanied it (Dwyer et al., 2016). For example, 85% of WRAG claimants in one non-representative survey reported feeling anxious about sanctions (Hale, 2014), and there are several anecdotal reports in the UK of claimants dying from suicide or heart attacks in response to the pressures of conditionality.⁷ Evidence here is limited, particularly for countries outside the UK, and further research should be a priority.

Conclusion

While bodies such as the OECD recommend introducing conditionality for disabled people, they provide little evidence as to either its implementation or its impacts. In this paper, I therefore review

⁶ This is the case of David Clapson, who died from a lack of insulin after running out of money to keep his fridge working; see <http://www.disabilityrightsuk.org/news/2016/march/support-petition-over-death-david-clapson>

⁷ Of 49 Government inquiries into deaths among benefit claimants, 10 followed a benefits sanction; see <http://www.theguardian.com/society/2016/may/13/suicides-of-benefit-claimants-reveal-dwp-flaws-says-inquiry>

available evidence in the academic and grey literature, alongside a new international review of disability assessment in 10 countries based on over 140 documents and 38 expert interviews. The findings above can be summarised as the following ‘stylized facts’ (an approach taken from Martin, 2015):

1. Many states formally require disabled people to participate in steps towards work. However, sanctioning itself is rare, with most countries using sanctioning as an emergency backstop for repeated noncompliance with rehabilitation. Only in Australia & the UK is sanctioning less rare, seemingly being used as a non-negligible response to instances of noncompliance.
2. Assessment & support are critical for the implementation of conditionality for disabled people. Some countries invest heavily in assessment & support, which claimants are then required to participate in. Some countries have on-paper requirements but *do not sanction* claimants in practice because of a lack of assessment/support. And some countries sanction *despite* poor assessment & support – potentially implementing sanctions unfairly.
3. There is little evidence on the impact of conditionality on disabled people on employment:
 - The evidence suggests that sanctioning increases job entry among non-disabled people – but often to low-quality jobs, and sanctioning also increases the numbers of people not claiming benefits who are not in work.
 - However, *a priori*, the impact of conditionality on disabled people is likely to be more negative than its impact on non-disabled people.
 - The limited existing evidence focussing on disabled people suggests that sanctioning may have zero or even *negative* impacts on work-related outcomes.
4. There is almost no evidence of the impact of conditionality on wider outcomes such as health.

It is worth ending by emphasising that conditionality for disabled people is simply different to conditionality for non-disabled people – its implementation is more challenging, and its impacts may well be more negative. While the present paper has reviewed the available evidence and conducted a new international review of implementation, the published evidence is relatively scarce, and multi-country reviews necessarily sacrifice some depth in order to achieve international breadth. Rather than simply assuming that the existing evidence base for unemployment and social assistance benefits will suffice, it is therefore crucial to add to the limited existing evidence base on disability and conditionality in all respects: its extent, its implementation, its impacts on employment, and its wider impacts.

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