

# THE NEW GOVERNANCE OF SOCIAL SECURITY IN BRITAIN<sup>1</sup>

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## **Abstract**

This chapter explores the objectives and organisation of social security policy making under the Labour government since 1997. Using the concept of 'governance' as a framework, the chapter explores recent policy developments in two areas. The first concerns the government's policy goals and the key principles underpinning them. These include the construction of social security as support rather than protection; the conflation of security with work; the reconfiguration of rights and responsibilities; the emphasis on contractualisation and monitoring behaviour; and the pursuit of 'selective universalism'. The second area concerns the operational side of social security policy making and especially the ways in which the organisation and management of policy delivery has altered. This includes the creation of the new Department and Agencies, and the ways in which the Treasury increasingly exerts control of these through the use of 'quasi-contracts', operational targets, performance management, as well as the dominance of the business model in operational discourse.

## **Introduction**

On June 8th 2001, the day of New Labour's second election victory, the Department for Social Security (DSS) was 'transformed' into Department for Work and Pensions (DWP). Replacing the DSS, a Department that existed in one form or the other for almost a generation, the new DWP comprises parts of the former DSS, parts of the Department for Education and Employment, and two new agencies, the Job Centre Plus and the Pensions Service. Other parts of the former DSS are now under the competence of the Treasury and the Ministry of Defence. This extensive institutional reorganisation and its symbolic manifestation in the removal of the words 'social security' from the title of the new Department are the starting points for this chapter's reflections on the changing governance of social security in Britain. It is argued that

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these changes were neither merely administrative nor procedural, but that they symbolically marked key shifts in the objectives, logic and organisation of social security policymaking. As such this chapter offers both a general introduction to what these changes have been, and also an initial evaluation of their significance.

In order to do this, we apply the concept of governance to the case of social security policy in Britain. The term 'governance' is here used to describe a form of political regulation of social subjects - i.e. individuals, social groups or institutions - initiated, organised and partially controlled by an actor or actors vested with the political authority to act in an area of public policy. Governance involves the 'steering' of the subjects' behavioural practices towards particular social and politico-economic goals via a set of institutions and processes that aim to maintain or change the status quo.

The concept of governance thus enables us to focus on a crucial feature of government policymaking: that government is not only about legislation and rule creation, but it is also about 'how government is to be done' (Culpitt 1999: 44). It thus facilitates an analysis of policymaking in two distinct but clearly related domains. The first concerns the content of policy, the legislation and regulations that embody policy principles, objectives and intended outputs, which we will refer to as 'formal' policy. The second concerns the 'mode of doing policy'; the organisational arrangements and procedures for policy delivery, referred to here as operational policy. The analytical power of the concept of governance is that it allows enough flexibility to separately analyse both formal and operational policy while simultaneously highlighting their unity. This unity concerns policy means and ends. The means (operational policy) are inexorably connected to the ends ('formal' policy); the 'how' of doing policy affects the 'what' of 'formal' policy and vice versa.

Furthermore, both the 'how' and the 'what' of social security policy involve the regulation of categories of welfare subjects. Indeed, the latter are inseparable from, and are reproduced by, the very institutions, regulations and procedures of which they are the focus. The formation of these categories is also inseparable from the discourse that produces them. Thus, for example, the constitution of a person through public policy as a citizen or as a consumer, as a 'jobseeker' or as unemployed, depends on the discourse through which 'formal' policy is expressed and made sense of, a discourse that encapsulates a particular vision of how the social world is and should be. In our view, governance is immersed in discourse; forms of governance involve the institutional crystallisation of particular discourses. For this reason, our analysis of social security governance in Britain includes an examination of the ways in which categories such as the above are formed through official discourse.

### **Governance in the 'formal' policy domain of social security**

This section analyses the key principles guiding the Labour government's social security policies as well as the socio-economic goals that underpin them. Our aim here is not to provide a definitive analysis examining the detail of policy developments; other chapters in this book offer these. Rather, the section provides a general overview of the normative contours of social security governance so that its logic as a new form of political regulation can be clearly identified.

### *Social security as support*

The term 'social security' as applied to state income maintenance programmes first appeared in the US in 1934 to describe the instigation of the Roosevelt administration's 'New Deal'. Originally entitled the Economic Security Act, Roosevelt's Social Security Act was justified as a 'safeguard' against the 'man (sic) - made' contingencies of market failures, evident in the mass unemployment of the Depression years (Box 3.1). In this original vision of social security - which after the war found an even bolder expression in the constitution of UN's International Labour Organisation (see quote Box 3.1) - society was understood to require protection by the state in response to circumstances explicitly considered to be socio-economic. Thus, underlying this form of social security governance was the principle that state should provide protection - not merely support - to individuals, from socio-economic situations for which they were not individually to blame and which were perceived to be amenable to state action.

A similar vision also underpinned Beveridge's position. He viewed the contributory principle - benefits paid out in return for previous contributions - as an essential part of a system in which social security was predominantly to be provided as of right, rather than according to need. This was a right to protection against the contingencies that affect labour market participation (McKay and Rowlingson, 1999: 60-3). Although it was not meant to 'guarantee a standard of life beyond subsistence level, [for] men whose powers of earning diminish must adjust themselves to that change', this right nevertheless was to be accompanied by 'full use of powers of the state to maintain employment and to reduce unemployment' (Beveridge, 1941, quoted in Fraser, 1984: 288).

[insert box 3.1 about here]

When those original visions for social security are compared to the ones held by British governments at the end of the 20th century, also summarised in Box 3.1, a number of differences emerge. One of them concerns the role of benefits. The new consensus is that they should not provide protection but, rather, support. The crucial difference between these two conceptualisations of security - protection versus support - can be illustrated by considering an example of how the term is used in other contexts. For instance, when a private company offers security to a person whose life is threatened, this is clearly meant to be protection from harm, not support once the harm is done. Social security-as-support is a 'hollowed out' security; its essence - protection - has been changed. In this vision, social security is not primarily about protection from failures of socio-economic conditions and processes that state action can alter. Rather, it is a 'helping hand' so that an individual can alter his/her own behaviour to match the demands arising from these conditions and processes. Indeed, in this paternalistic vision of 'hollowed-out security', the emphasis on 'help for self-help' implies that benefit recipients are themselves to a large degree responsible for their status; with some (conditional) help, they will be able to end their status as benefit claimants.

For the Labour government, the Beveridge-inspired post-war settlement in social security policy, with its subsequent modifications and its curtailments during the years of conservative rule, has run its historical course (DSS 1998a; and Chapter one here). There were at least two clear objectives that the first Labour government elected in 1997 had in respect of the social security system. The first was to make (re)employment the central feature of provision for people of working age. The second was to 'modernise' social security to meet this goal, although the means to deliver it was the focal point of competing visions and discourses. Framed in this way, the normative assumptions of New Labour's social security governance represented a clear departure from traditional Labour Party principles of 'extensive and progressive redistribution [...] without recourse to means-testing' (Brewer et al, 2002: 3). In 'thinking the unthinkable' - to use the catch phrase of this period - some policies were clearly crossed off the list of 'unthinkable' options.

Two competing visions of the principles on the basis of which social security was to be 'modernised' can be found in the debates at that time (Brewer et al, 2002: 3-5, 14-5; Timmins, 2001: 559ff). One vision, expressed by Frank Field, then Minister for Welfare Reform in the DSS, emphasised the need to provide benefits through social insurance, that is, on the basis of the contributory principle. This was necessary in order to overcome the morally debilitating, and economic disincentive effects of means-tested benefits, which had increased in importance over the post-war period, and which discouraged people from taking responsibility for securing their own income. For Field, linking benefits to contributions was the means to promote individuals' engagement in paid work as well as independence. It would also, especially for pensioners, maintain the idea that access to social security was a right.

The alternative vision, favoured by the Treasury, questioned Field's emphasis on social insurance, and emphasised outcomes. As Alastair Darling (who became Secretary of State at the DSS from the Treasury in 1998 after the post of 'Minister for Welfare Reform' was abolished and Frank Field left the Department) argued: 'the important difference in social security is not whether [benefits] are insurance based or means-tested but whether or not they provide enough help to get people back to work and improve their lives' (quoted in Brewer et al, 2002: 4, see also DSS, 2000b: para. 6; para. 25, and introduction, para. 2). This vision was eventually adopted as the government's policy.

#### *A new configuration of rights and responsibilities*

Despite the above claim and the government's assurance that the abolition of contributory benefits is not on the agenda yet (DSS, 2000b: para.8), there has been a further erosion of contributory benefits and an expansion in means-testing. A contributory system is a 'something-for-something' deal between the state and the individual where (to use New Labour speak) the right to protection is gained through the previous exercise of responsibility. As the Labour government is supposedly committed to end the 'something for nothing' welfare culture then, logically, one should have expected that it would have strengthened not weakened the contributory principle. This, however, is contrary to the observed trend of expanding means-tested benefits. How can this paradox be explained?

One way to make sense of these developments is to view them as indicative of a reconfiguration of the contract between the state and the citizen. In a contributory system, establishing the right to protection is the end result of a process during which the claimant via his/her contributions 'demonstrates' his/her responsible behaviour. Conditions are mainly attached *before* the claim is made and the right of the state to 'steer' and monitor the claimant's behaviour after the claim is made is rather weak. Having fulfilled his/her obligations vis-à-vis contributions, the right of the claimant to protection is strengthened. Conversely, in the new arrangements, the claim for support marks the beginning of a different process whereby conditions are attached *after* the claim is made. What is strengthened here is the 'right' of the state to 'steer' and monitor claimant's behaviour after the claim is made. In this context, the Labour government's social security policy marks a new distribution of rights and responsibilities between the state and the individual where security is seen as support not a right, whereby the state establishes its right to demand behavioural changes from the claimant in return for providing him/her with support. The 'new contract for welfare', as the government's Green Paper on welfare reform was called, was precisely that.

#### *Work as security*

Very different from the original visions of social security, and probably the most significant normative attribute in New Labour's vision, is the apparent equivalence drawn between work and security. For a working age person there is no clear or explicit right to security. Instead paid work is seen as replacing security. However, this paid work is itself not secure. It is neither guaranteed by the state nor is significantly 'protected' when one is in work, notwithstanding the introduction of the national minimum wage. Also, its narrow definition as paid work in a labour market underlines an exclusionary vision. Important welfare-creating activities that are not part of the cash/market nexus and thus are not 'registered' as productive are absent from such definition (Levitas 1998; Lund, 2000: 202-3)- two obvious examples here being care-work or voluntary work (see Chapter 6 here). Further, work seen in this way potentially enhances the social differences between able-bodied and disabled-bodied people of working age, and echoes a rather narrow vision of social life - we do not work to live but rather live to work.

Alongside this, there has been a retreat from the principle that the state should ensure full employment; that is, from the idea that security should primarily to be created through the provision of jobs (for men). As indicated in the 1944 White Paper on Employment, full employment meant the state had a responsibility 'to maintain a high and stable level of employment' (Digby 1989: 58). This approach is markedly different from the New Labour approach of 'work for those who can'. Under the recent redefinition of full employment as 'full employability' (e.g. Department for Work and Pensions and HM Treasury 2001), the reason for unemployment is now firmly anchored to an individual's capacities and capabilities, implying that they themselves are responsible for their employment status. The state's responsibilities are to provide only opportunities for training and skills development, which the risk-taking individual is required to take up. Thus the entire construct of opportunity and

employability evident in the government's discourse involves a 'privatisation of risk management' (Rose 1996b: 58) and the 'management of insecurity' (Dean and Shah, 2002). The individual of working age is made responsible for their employment status, and for the provision of their own security, including in old age.

Thus New Labour's vision of 'security' for people of working age is the further expansion of individual labour supply in a 'flexible' and insecure labour market. Social security policies are no longer a means to protect society from potential failures of a market economy, nor a means to 'steer' the economy to respond and meet social needs. Rather, they are to become a means to 'steer' the behaviour of individuals to make them adaptable to what are perceived by the government as the demands of this market economy (Grover and Stewart, 1999). If this trend continues, 'social security' runs the risk of becoming nothing more than an 'obligation to endlessly manufacture a future where one is not a drain on the entrepreneurial activities of others' (Fitzpatrick: 2002: 15).

#### *Contractualisation and behavioural monitoring*

Although the previous Conservative governments introduced some compulsory interviews for unemployed claimants, under the Labour government this process has gone much further (see Chapter 5 here). The New Deal established in Labour's first term, either required or encouraged different groups of 'working age' claimants to attend interviews, training or take up employment. The separate New Deals for young people, lone parents, the long-term unemployed, older unemployed people, the partners of long-term unemployed and for people with disabilities each had different conditions in respect of benefit entitlement. Thus only the New Deals for young people and the long-term unemployed aged between 25 and 50 were made compulsory, with sanctions for non-compliance with the scheme. This variety of conditions implied that although ideally all people of working age should take up employment, there some people for whom this could be made into requirement.

This process appears to have accelerated recently. There have been extensions to the group characterised as required to consider employment, heralded in the introduction of a re-structured New Deal for the over 25s, and the requirement from April 2003 for all lone parents to attend work-focused interviews, irrespective of the age of their children. All new claimants for benefits are, in the 'Jobcentre Plus' organisation, required to attend such an interview at the time of their first claim (Department for Work and Pensions, 2001b: 3-4)<sup>3</sup>, adopting the approach taken with the ONE gateway that acted as the pilot scheme to the introduction of Jobcentre Plus (Osgood et al 2002).

This could indicate a re-constitution of welfare subjects even more explicitly through their age/labour market status, in which claimants are dealt with in a similar 'work-focused way' regardless of the reason for their benefit claim. The underlying principle is clear. A contract is to be established between these groups of working

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<sup>3</sup> There are two exceptions to this regulation: Maternity Allowance and Industrial Injuries benefit

age and the state, whereby the state had the right to insist on particular kinds of labour market behaviour in exchange for providing benefits (Heron and Dwyer 1999).<sup>4</sup>

### *Selective universalism*

As should by now be clear, the key way in which welfare subjects are constituted in Labour's social security policies is through their relationship to potential labour market status. Thus there are children (below working age); working age people; and pensioners. The distribution of rights, responsibilities and risks in social security varies according to this age/labour market status categorisation. Thus 'the welfare system should support a number of objectives: delivering work for those who can, helping those who need it most - families with children and the poorest pensioners' (DSS, 2000b, para. 9). In clarifying the phrase 'security for those who cannot', (poor) pensioners and families with children are treated as special cases because they are perceived as 'unable to affect their own incomes through work (...). By contrast work could still be viewed as the best form of welfare for most working-age adults' (Brewer et al, 2002: 7). Future pensioners are expected and are being encouraged to save and invest for their retirement (DWP, 2002; DSS 1998a), a development towards what Hewitt (2002) calls 'assets based welfare'.

This strategy of 'selective universalism' (see Timmins, 2001: 574), indicates that the government is not committed to poverty alleviation in general nor to income redistribution across the board. Rather, its commitment is to poverty alleviation for particular socio-demographic groups, while its agenda for redistribution is more 'about the distance between the bottom of the income distribution and the middle, but not between the middle and the top' (Brewer et al 2002).

To conclude this section, in the normative vision of New Labour's social security governance, security is redefined as support, and work as employability. At the same time, contractualisation and monitoring of claimants' behaviour enforces a new distribution of rights, responsibilities and risks. This approach is anchored in a productivist logic, in which the main task of government is to create the conditions for economic competitiveness in an internationalised market economy (Jessop, 1999; Grover and Stewart, 1999). Being now subordinate to this goal, social security policy shares many normative attributes of a neo-liberal conception of security. Notably, that it is 'an individual, an autonomous, private 'security', gained by self-responsibility through the market: which, by definition, is part of the hazard of the ever-changing dynamism of the world' (Culpitt, 1999: 48).

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<sup>4</sup> It is important to note however, that this contract is not contracted between equal parties, as the terms of the contract are liable to change by one party (i.e. the state) at its leisure. The other 'contractee' has nowhere else to go to make an alternative contract.

### **Governance in the operational policy domain**

In the context of these changes in the formal policy domain, the logic and goal of the associated departmental reorganisation and renaming becomes clear. Taken together, the changes represent a new distribution of rights and responsibilities in the operational policy domain of governance, which enhance the characteristics of governance in the formal policy domain. This new distribution is evident in three ways. First, the move of parts of the former DfEE - notably the Employment Service - into the newly named DWP reflects the government's constitution of welfare subjects by age and labour market status. It also enhances the productivist logic that underpins the changes in the formal policy arena. Second, the role of the Treasury has changed to become that of a quasi-contractor and monitor of services provided through the DWP and its sub-contracting agencies. Third, through the continuing use of business models and metaphors, and the emphasis on particular kinds of performance measurements and targets as a means to steer the activities of front-line DWP staff.

#### *New Departmental structures*

Regarding the first change, the renaming of the DSS into the DWP and its reorganisation can be clearly connected to the constitution of welfare subjects in the formal policy domain. Thus pensioners are dealt with in the new Pensions Service; people of working age are dealt with in the new Jobcentre Plus; benefits for children are now primarily delivered through the Inland Revenue. There are some anomalies in this formulation, so that the new Pension Credit will also be delivered through the Inland Revenue, while a range of benefits will continue to be provided in Jobcentre Plus (invalid care allowance, maternity allowance, social fund payments) which do not, or do not yet, have work-focused 'responsibilities' attached to them. In addition, the Child Support Agency (CSA) continues under the DWP. Nonetheless, the departmental renaming, the creation of Jobcentre Plus, and the justifications provided for these, make the links to formal policy objectives explicit.

In summer 2000, the then Secretaries of State for the DfEE and DSS (David Blunkett and Alastair Darling respectively) appeared together before the relevant House of Commons select committees to explain the proposed reorganisation. Darling argued that 'we need to change the whole culture of the organisation just as we are changing the whole culture of the benefits system' while Blunkett referred to the need to overcome the invalid distinction between working age benefit claimants who were looking for work and those who were not. The aim in the agency was to 'expand the pool of employable people' (Select Committee, 2000b). The process of 'building a new culture of work first' (HM Treasury and DWP, 2001: 1.21) required action to steer the behaviour of DWP staff in order to change the culture of the DSS/DWP itself. Thus the new agency 'will have a new culture, based on helping people to become independent, and will help further to embed a culture of responsibilities and rights within the welfare system' (DWP, 2002: 16).



The move of the Employment Service into the DWP, to be integrated in Jobcentre Plus as the latter is extended nationally in 2003, however, strikingly reveals the productivist vision in the new social security governance. The Employment Service had two sets of clients - 'jobseekers' and employers. As employers are integrated into the DWP's set of clients, a different emphasis is introduced into the DWP's services for people of working age. The goals of Jobcentre Plus (see box 3.2) embrace a particular set of rights and responsibilities, different from those of the DSS. In consequence to the integration of the former employment service with the benefits agency, the department must now explicitly meet the needs of employers (see also Chapter 10 here).

[insert box 3.2 about here]

Jobcentre Plus aims to meet employers' needs more effectively so that 'planning, provision and delivery are geared towards employers' recruitment needs' (DWP, 2002: 53; also 12, 15). Filling the 'gaps' in this sentence offers an interesting light on the role of the new agency: provision and delivery require a product to be provided and delivered. It seems in this case that the 'product' is work-ready, employable benefit claimants. Hence these operational policy changes, and the logics of behaviour that they induce, suggest that even greater emphasis is placed on the creation of employability amongst claimants than might be assessed from analysing formal policy. The DWP has gained a new responsibility in respect of maintaining the economy. 'It will be important that everyone; employers, individuals and the Government, take seriously their responsibility to deliver a high skill, high productivity economy' (HM Treasury and DWP, 2001: 4.47, also 4.40).

#### *The role of the Treasury*

The second set of changes in the operational policy domain concerns the role of the Treasury. The Treasury has famously been the most powerful single department in British policy making for many years (e.g. Hennessy 1989). However, in the past, its power over other departments and ministers has primarily been exercised through annual budget negotiations, about how much money a department might need or get in order to implement its agenda and meet government commitments. At first sight, then, the decision of Chancellor Gordon Brown early in the New Labour government's first term to initiate a 'Comprehensive Spending Review' (CSR) which would establish spending requirements and budgets over a three year period, rather than annually, might suggest that departments would gain greater control over their spending across this three year period. Certainly as departments are granted under this regime greater leeway to 'carry over' unspent money to the next period, this appeared to offer departments greater flexibility and predictability in financing policy initiatives. This was certainly the case made by the Treasury itself (HM Treasury 2000).

However, as part of the CSR, departments were required to draw up, in conjunction with the Treasury, a 'Public Service Agreement' (PSA). The PSAs set out individual departments' policy objectives for the following three years. At the time of writing, the most recent PSAs were published in 2000, for the years 2001-4, although a new set were to be agreed by autumn 2002. Public Service Agreements were also supplemented by Service Delivery Agreements (SDA), a second set of agreements, in which departments were required to specify how their policy objectives would be met. These were then also supplemented, in the 2000 round of agreements, by 'technical notes', which further specified the indicators against which departmental performance would be measured (e.g. DSS, 2000a),<sup>5</sup> and on which the department would have to report annually.

This series of 'quasi-contracts' is of profound importance, not only for social security governance, but also more widely. Thus Rouse and Smith (2002: 49) are correct to argue that PSAs 'have centralised the importance of performance (...) by requiring accountable contracts from public service providers'. However, at the same time, these authors suggest that these developments permit public service agencies greater freedom than under the previous managerialist regime to shape their approach to problems or issues (Rouse and Smith, 2002: 48). Certainly it seems possible that institutions may be able to shape some aspects of governance in this framework, and may, consciously or otherwise, subvert the objectives established in PSAs and SDAs, as has occurred in previous managerialist regimes (Clark and Newman 1997). However, the claim of greater freedom for agencies under New Labour than under the Conservative regime appears to miss the key consequence of these new arrangements, and does not account for the context in which the new governance regime has developed. The new agreements substantially change the degree to which the Treasury is able to set not only the constraints for departments' policymaking, as in the past, but also what policies are to be made. The policy objectives themselves, how policies are delivered, and how that delivery is to be measured must all now be subject to Treasury approval and monitoring.

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<sup>5</sup> The technical note for the DWP's 2001-4 PSA is available, as indicated in the bibliography, on the department's website, as is the PSA itself. However, the technical note seems not to have been updated to reflect the department's change of name, so is listed as 'Department of Social Security (2000)'. The PSA itself, however, has had its reference and Internet links updated, and so is listed under Department for Work Pensions, and rather confusingly, as 2001, not 2000. The two documents however, do refer to the same agreement, applying to the same three-year period of 2001-4.

This involves a micro-level scrutiny of departmental actions and institutions, and intrusion into departmental autonomy unprecedented in Britain. It is also perhaps worth remembering that in these 'contractual' negotiations, the terms and conditions of this contract can largely be established by the Treasury, as it still guards access to funds, which departments need.<sup>6</sup> Indeed, the Treasury in these negotiations still places emphasis on what in the *Modernising Government* White Paper was called 'earned autonomy' (Cabinet Office, 1999). That is, that departments, agencies, local authorities, schools and hospital trusts which met the government's objectives would be subject to fewer constraints, while sanctions and threats would be exerted on the unsuccessful - as measured by performance targets (Cutler and Waine 2000: 55-6; Newman 2001: 91-3). A key moment in the governance of social security then is the establishment of these criteria - the objectives of policy - and it is in this process that the Treasury has gained unprecedented powers over social security governance.

*Contractualism within government: performance management*

The changing role of the Treasury then, demonstrates a shift of responsibilities and rights in the operational policy domain, between it and the DWP. However, contractualisation extends far beyond that of PSAs and SDAs. Ever since the introduction of the Benefits and Child Support Agency, and indeed agencies in other government departments from the late 1980s onwards, mechanisms have been required in order to exert control of this process of 'agencification' (Rhodes 1997). This was done through framework agreements with the agencies delivering policy, audit of the services provided, and the use of performance management imported from the private sector (Rose 1996b; Clarke and Newman 1997). In addition to these arrangements - for what might be called departmental sub-contractors for policy delivery - contracts and framework agreements are also developed for the private and voluntary sector organisations that now run some Jobcentre plus offices. Furthermore, additional 'partnership working' between the Pensions Service and other organisations dealing with the over 65s is planned (DWP 2001c), for which we can perhaps expect more 'service level agreements' to establish the responsibilities of relevant parties, similar to those already established with local authorities (e.g. Benefits Agency, 2002: 20).

Given the extent of this contractualisation, the emphasis on performance management in meeting policy objectives in New Labour governance generally has been described as 'a liberal dose of accountability through accountancy' Massey (2001: 31). That is, audits are used as a means of *comptrol* - i.e. financial control - to assess service delivery and organisational responsibilities. To view the maintenance and creation of accountability as solely through accountancy is, however, too narrow. Indeed the New Labour government can be distinguished from its predecessors

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<sup>6</sup> It is possible to imagine cases where departments have a stronger hand - for example in pursuing a policy initiative with the express patronage of the Prime Minister, or where a minister has powerful political support for their personal agenda which the Chancellor is unable to threaten. And of course, the Prime Minister has the technical capacity to remove the Chancellor, which might act as a threat. At the moment however, such a radical step seems politically unfeasible, and as practiced in the DWP, the PSAs and SDAs appear to confirm a remarkable congruence between the Treasury's agenda and that of the successive Secretaries of State.

precisely on this point. If the previous governments were concerned with cost, efficiency and value for money (Newman, 2001: 91), the first two terms of the Blair government have ushered in a performative managerialism, characterised by a 'developmental approach'. In contrast to the previous governments, this approach is outcome and objective oriented, primarily concerned with achieving particular outcomes with the money that is spent (Rouse and Smith, 2002: 47). This approach was articulated in both the 1999 *Modernising Government* White Paper (Cabinet Office, 1999) and the review of the Paper's impact and implementation (Centre for Management and Policy Studies 2001). In Box 3.3, what was described by the government as 'the nine features of modern policymaking' (ibid, p.14) are shown. The characteristics of this outcome-oriented, performative management are demonstrated in the importance of objective and outcomes in points one, three and six. In addition, under points six to nine, it is clear that implementation, and control of implementation directed towards the achievement of objectives, is central to New Labour's operational policy strategy.

[insert box 3.3 about here]

A wide array of government - as opposed to parliamentary - performance measurement and review mechanisms to identify and assess the achievement of these objectives has been adopted. These range from the Audit Office to no less than ten different processes or review groups and institutions operating under the umbrellas of the Cabinet Office and Treasury (see Table 3.1). Furthermore, these mechanisms are additional to those instituted by the department to evaluate agency and service performance, such as annual reports and oversight bodies. In turn, these have been supplemented by micro-performance management such as 'Performance Improvement Teams' which investigated and publicised best practice in the Benefits Agency; the encouragement of 'customer service managers' to engage in performance evaluation procedures; and the creation of dedicated 'absentee' managers to monitor staff attendance (Benefits Agency, 2002: 32-3, 18, 44).

Yet, as Cutler and Waine (2000: 52-3) point out, the close specification of targets and indicators are likely to stifle innovation and interfere with the development of 'joined-up government'. Staff at all levels can become oriented towards completing, or seeming as if they are completing, such targets; or they focus on complying with procedures at the expense of programme aims (Newman, 2001: 93). Indeed, meeting these multiple targets can involve contradictory tendencies which are not easily reconcilable for front-line staff, especially when they involve both sets of Jobcentre Plus 'customers' – employers and claimants as discussed in Chapter 11.

[insert Table 3.1 about here]

*The dominance of the 'business model'*

One other feature of policymaking from Box 3.3 deserves attention, in terms of what it reveals about the dominance of 'business'-style models and metaphors in social security governance. Feature five concerns the inclusion of non-governmental actors both 'front-line' staff, and those on whom services impact, regarding the development of policies. The DWP, however, does not appear to have engaged in this process; as Lister (2001: 106) points out, there is little or no evidence of service-user involvement in deciding how services are delivered (see also Chapter 10 here). It is certainly the case that numerous reviews and evaluations of social security policies have been conducted under this plan, but such evaluations often treat service users as customers, in which the socio-political character of state-provided services is glossed over. After all, one adage of customer service in the private sector is that the customer is king or queen: this seems a perverse reading of the highly conditional 'new contract' analysed in the previous section of this chapter. Yet, this contradictory construction of benefit claimants as customers, and of agencies and even the department, as businesses is inescapable in documents discussing service delivery (e.g. DWP, 2002; Benefits Agency, 2002; Darling in Social Security Select Committee, 2000). Thus, the intention in Jobcentre Plus is to ensure that 'the service is customer-focused and tailored to individual needs' (DWP 2001c: 7) and that teams of staff in the Pensions Service 'manage and support the entire customer experience', 'delivering the best customer experience' (DWP, 2001/2: 3).

Many of the measures introduced under such claims certainly seem likely to improve the experience of claiming benefit: unscreened offices; the ability to initiate a claim over the telephone; avoiding the need to go to more than one office when claiming different benefits. Others seem more spuriously related to claimants needs, so that the provision of Internet and email-based services for precisely those people least likely to have access to such facilities does not seem to offer a particularly improved 'customer experience' (Selwyn 2002, Chapter 13 here).

From a governance perspective, however, a more significant point can be raised with regard to these measures. Their justification is not dependent on the characterisation of claimants as 'customers' to make sense so that, for example, one could justify such changes on the basis of the needs of claimants. In this case, then, the choice to constitute claimants as customers is less concerned with claimants' status than with steering the behaviour of staff to perform their work 'as if' claimants were customers and they part of an entrepreneurial and profit-seeking 'business'. The importation of business models of performance management is made to make sense by considering the role of everyone in the department to be oriented towards the business-style goals of customer service, and, of course, product delivery.

**Conclusion: The new governance of social security**

This chapter has explored the policy principles, objectives and intended outputs of the Labour government, and the organisational arrangements and procedures for policy delivery. In both domains we can observe a quasi-'contractualisation' of social security: between the Department's policymakers and the Treasury, between service providers and the Department and, last but no means least, between the individual benefit recipient and the Department. Furthermore, it was argued that under this new form of governance, individuals and social groups are steered to act as 'risk and opportunity-takers' and entrepreneurs.

In terms of its formal content, social security policy for all people of working age has been transformed to serve labour market policy objectives; that is, a means with which to manage labour market behaviour. It is only with regard to policies for children that we can see a commitment to socio-economic security, although this is now primarily delivered through the Treasury. In terms of operational policy, these role changes are reflected in the Departmental renaming/reorganisation, as well as in the DWP's stated vision and policy objectives. Further, the official use of the term social security policy has become less of a descriptor of policies providing socio-economic security underwritten by the state, but rather a descriptor of policies that 'encourage' particular kinds of individual behaviour in the face of insecurity.

Thus, the new governance of social security in Britain can be characterised as a new form of political regulation in which the DWP and the Treasury construct and 'steer' social subjects towards a set of socio-economic goals, that are clearly anchored in a productivist vision of the role of social security in an internationalised market economy. A new distribution of rights, responsibilities and risks for individuals and institutions is established through increasing contractualisation of their relationships and extensive monitoring of their behaviour and performance. As such, this is a new chapter in the history of social security in Britain; a new kind of social security, that is not very social and even less secure.

**Overview**

- This chapter analyses social security policy using the concept of ‘governance’. The concept is used to describe how the behaviour of individuals, institutions and social groups is politically regulated, and steered, to meet socio-economic goals. Analysing a form of governance in a policy domain involves the examination of both the ‘formal’ and operational aspects of policy making.
- Regarding formal policy, the key principles and goals of social security under the Labour government involve a re-definition of the policy content of security from protection based on rights, to support based on obligations; a re-constitution of welfare subjects predominantly in relation to their labour market status and age; the conflation of security with (paid) work; an increase in contractualisation and monitoring of claimants’ behaviour accompanied by selective universalism.
- Regarding operational policy, the renaming and reorganisation of the DSS into the DWP confirmed the productivist logic associated with formal policy changes, with a clear emphasis on labour market integration for all working age benefit claimants; an explicit institutional commitment to meet the demands of employers; the introduction and extension of ‘business’ discourse and performance management in all areas of the Department; and, an unprecedented increase of the Treasury’s capacity to control policy making in the DWP.

**Questions for revision**

1. Explain the distinction between formal and operational policy; how are they related in the case of social security?
2. In what ways do conceptualisations of ‘social security’ differ between the Beveridgean ideal and that expressed by the Labour government?
3. Identify and explain the main changes in social security operational policy since 1997. Which of these changes is the most significant, and why?
4. Is it appropriate to talk about benefit claimants and recipients as customers?

**Box 3.1**  
**Visions of social security**

**1. Franklin D. Roosevelt**

***Message to Congress, June 1934, prior to passing of Social Security Act 1935***

(cited in Digby, 1989, p.16)

Among our objectives I place the security of the men, women and children of the nation first [...] People [...] want some safeguard against those misfortunes which cannot be wholly eliminated in this man-made world of ours.

**2. William Beveridge,**

***December 1942 Radio interview the day his report was published***

(cited in Fraser, 1984, p.216)

The Plan for Britain is based on the contributory principle of giving not free allowances to all from the State, but giving benefits as of right in virtue of contributions made by the insured persons themselves

**3. The Declaration of Philadelphia,**

***1944 - principles of the International Labour Organisation***

a) Labour is not a commodity; b) Freedom of expression and of association are essential to sustained progress; c) Poverty anywhere constitutes a danger to prosperity everywhere; d) All human beings, irrespective of race, creed, or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security, and of equal opportunity [...] peace can be established only if it is based on social justice.

**3. John Moore, Secretary of State for Social Services,**

***Interview in Sunday Times, 28 September 1987***

A welfare state worthy of the name aims at the real welfare of its citizens. It works to widen the understanding that dependency can be debilitating and that the best kind of help is that which gives people the will and ability to help themselves.

**4. New Ambitions for Our Country: A New Contract for Welfare.**

***Green Paper on Welfare Reform, March 1998***

The Government is determined to build an active welfare system which helps people to help themselves and ensures a proper level of support in times of need. (p.16)

The new welfare state should help and encourage people of working age to work where they are capable of doing so. The government's aim is to rebuild the welfare state around work. (p.23)



**Box 3.2**  
**Goals of Jobcentre Plus**

- a work focus to the benefits system
- a dedicated service to enable employers to fill their vacancies quickly and successfully
- swift, secure and professional access to benefits
- a much better service for everyone who needs help
- active help from Personal Advisors
- a safer and more professional working environment for staff
- greatly improved IT accommodation and support services

*Source:* DWP, 2002, pp.15-6

**Box 3.3****The Nine Features of Modern Policymaking**

1. **Forward-looking:** identification of outcomes; accounting for long-term government strategy
2. **Outward looking:** looks to other countries & policy mechanisms; presentation strategy prepared
3. **Innovative, flexible and creative:** defines success in terms of outcomes already identified; manages risk; team-working; involvement of outsiders on 'policy team'
4. **Evidence-based:** commissions research; reviews existing research; consults experts
5. **Inclusive:** consults service implementers; those affected by policy; seeks feedback; conducts impact assessment
6. **Joined-up:** cross-cutting objectives identified at outset; definitions of joint-working arrangements; implementation is part of policymaking process
7. **Review:** ongoing review programme; meaningful performance indicators; redundant or failing policies abandoned
8. **Evaluation:** defined purpose for evaluation at outset; success criteria defined; evaluation process built in from outset; use of pilots
9. **Learns lessons:** dissemination of good practice; account of what was done in response to lessons learned; distinction between failure to implement and failures of implementation

*Source:* Centre for Management and Policy Studies, 2001, p.14

**Table 3.1**  
**Government performance measurement and improvement strategy mechanisms**


<i>Department or Office</i>	<i>Institution or Group</i>	<i>Role</i>
Audit Office		Value-for-money; lesson learning
Treasury	Spending reviews	Review and evaluation of policy aims and budgetary needs/constraints
	Public Service Agreements (PSA)	Identification of targets for final policy outcomes
	Service Delivery Agreements (SDA)	Clarification of how resources to be managed to reach targets
	SDA regulations	Specification of performance indicators for each policy objective
	Public Services Productivity Panel	Review of policy for 'customer focus' throughout policy-making; 'self-analysis' tools for policymakers to improve performance
Cabinet Office	Prime Minister's Delivery Unit	Monitoring to ensure government meets objectives in priority policy areas]. Includes private sector staff.
	Office for Public Service Reform	Review of public and civil services reform
	Performance and Innovation Unit	'Big Issues' work on forecasting and strategic thinking
	Centre for Management and Policy Studies	Training and development; best practice dissemination; promotion of evidence-based policy & excellent policy research
	Public sector benchmarking project	Transfer of 'Business Excellence Model' of benchmarking for comparing public/public and public/private sector performance

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