

# More than 500 UK employers and charities benefited from use of free forced labour

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On July 27, the UK Court of Appeal ruled by two-to-one that the Department of Work and Pensions (DWP) must release the names of the companies and organisations that benefitted from the government's Mandatory Work Activity (MWA) workfare scheme.

Some 500-plus organisations benefitted as a result of free forced labour over a six-month period between July 2011 and January 2012.

The names include well-known high street supermarkets and shops such as Tesco, Boots, WHSmith and Superdrug as well as charities including Oxfam, Age UK and the National Trust. Several local authorities also benefitted, among them Scarborough, Whitby and Essex councils, as have a number of academic institutions.

The MWA scheme was brought in by the Conservative/Liberal Democrat coalition government in May 2011 and ran until November 2015 when the DWP let the programme lapse. The Blair/Brown New Labour government from 2005 to 2010 had experimented with a similar scheme, the Jobseeker Mandatory Activity, piloting it between 2006 and 2008 but did not proceed further.

Under MWA, benefit claimants were obliged to do 30 hours unpaid work a week or risk being sanctioned and losing their Job Seekers Allowance (JSA) payment of around £70 a week. The placement was for a four-week period. According to the DWP, the MWA scheme was meant to target those “lacking, or failing to demonstrate, the focus and discipline that is necessary to effectively: seek out and pursue job opportunities [or] secure and retain employment”.

In 2012, the DWP itself carried out a review of the effectiveness of the MWA programme. The findings showed that the scheme did not help unemployed people get into work and did not enhance the prospects

of those seeking work to obtain a proper job. Despite the overwhelming evidence showing its ineffectiveness, the DWP decided to expand the programme, forcing around 70,000 claimants a year onto it at a cost to the state of £5 million a year.

Commenting at the time, Jonathan Portes, the director of the National Institute for Economic and Social Research, which researches areas of social policy, said it was difficult to see how the findings into the effectiveness of MWA could be reconciled with the decision to expand it. He said, “At a time of austerity, it is very difficult to see the justification for spending millions of pounds on a programme which isn't working”, adding that it appeared to have been designed to enable job advisors to punish those deemed not to be sufficiently active in looking for work.

Portes should not have been so incredulous. From the beginning, the intention behind the scheme was not to assist people to get back into employment, but as a subvention to employers. It was in line with the entire ethos of governments globally since the financial crisis of 2008—to bail out the banks and enable the ruling elite to recover their losses at the expense of the working class.

When the legislation setting up MWAs was drafted, it was explicitly stated that the intention was to boost employers' profits. Section 48 of the 2011 official guidance explained its purpose was: “working towards the profit of the host organisation, providing that the majority of the role is dedicated towards delivery of benefit to the community”.

In 2012, under a freedom of information request, the DWP was asked to name the organisations benefiting from the use of free labour under the MWA scheme. The DWP refused to divulge the information stating that to do so would “hurt the commercial interests” of

the organisations involved.

The DWP continued in the same vein after a tribunal hearing in May 2013 ruled that it had to divulge the names. It was not until last month following a Supreme Court ruling that the names were finally released.

A spokesperson from Boycott Workfare, which campaigns against the use of workfare schemes, told the *Independent*, “Workfare provides free labour for businesses and charities, enforced by the threat of destitution through benefit sanctions, and paid for by the public—including people on workfare. Workfare doesn’t help people find jobs: it’s just an excuse for sanctions...The organisations that benefit by exploiting the forced, unpaid work of claimants have been shielded by the DWP’s secrecy for far too long. The DWP have been using this case to deny other requests for similar information.”

Without fanfare, in November of last year, the Conservative government, led at the time by David Cameron, announced its intention to scrap the MWA scheme by spring of this year.

Since its inception, the scheme has forced around 120,000 claimants to work for their unemployment benefit. At the same time, the government announced it was scrapping Community Work Placements (CWPs)—six-month long placements, where JSA claimants would be expected to work 30 hours a week, usually for a community organisation or charity. Around 28,000 JSA claimants were put on to a CWP and forced to work for their dole money under the threat of sanctions or loss of financial support.

Other claimants are still being put on cheap/free labour Work Experience and Work Academy schemes. In theory, these are not compulsory but the reality is very different.

A posting July 10 on the Boycott Workfare web page from a Work Experience participant explained that people would have their JSA slashed if they didn’t go on the scheme.

It read, “I am currently on the Work Experience scheme at B&M in Droitwich Spa, doing over 30 hours of unpaid work for four weeks. If I do not do this I will have my Job Seekers Allowance cut. There are four people, including myself, doing forced unpaid labour here. We have been told by the job centre and B&M that only one out the four of us might be given a job after the four weeks. So three of us will be working full

time and won’t even get a chance at the position, and even the fourth person might not even get the job as they say it is only ‘possible’ someone will be taken on.”

The MWA and Work Programme are just two of a series of workfare pilots and programmes rolled out/supported by the Labour Party and Tories over the last decade. These include Steps to Work—the equivalent of the Work Programme in Northern Ireland, the Community Work Placements, Day One Support for Young People Trailblazer and Mandatory Youth Activity Programme.

In 2013, the vast majority of Labour MPs refused to vote against the Tory government’s jobseekers (back to work schemes) bill, dubbed the workfare bill. Their support prevented 250,000 jobseekers, who had been found by the Royal Courts of Justice to have been exploited on a workfare scheme after working for up to 780 hours unpaid, from receiving £130 million in rebates.

The MWA scandal is yet another example of how increasingly precarious work has become. Zero-hour contracts and self-employment for minimal reward are becoming the norm. With the ongoing economic crisis, transformation of the trade unions into arms of management and the Labour Party into a pro-capitalist organization, the exploitation of workers and youth can only be intensified.



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