

**X236/302**

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NATIONAL  
QUALIFICATIONS  
2007

TUESDAY, 22 MAY  
10.50 AM – 12.05 PM

MODERN STUDIES  
HIGHER  
Paper 2

**Summary of Decision Making Exercise**

You are a social policy researcher. You have been asked to prepare a report for a committee investigating welfare provision in which you recommend or reject the proposal to introduce an Employment and Support Allowance (ESA).

Before beginning the task, you must answer a number of evaluating questions (Questions 1–3) based on the source material provided. The source material is:

**SOURCE A:** ESA will be fairer

**SOURCE B:** ESA will increase hardship

**SOURCE C:** Statistical Information



## **SOURCE A: ESA WILL BE FAIRER**

Incapacity Benefit is meant to provide an income for people who are unable to work because of medical reasons. It is the single most costly benefit that applies to people of working age. The number of people claiming Incapacity Benefit has grown to 2.7 million. Most, but not all of these claimants, are genuinely disabled or suffering from a health condition that prevents them from working. In Scotland, over 300,000 people receive Incapacity Benefit. In Glasgow, one in five of those of working age claim this benefit. Incapacity Benefit increases after six months and again after a year. It is paid for life and may be accompanied by other benefits. Incapacity Benefit discourages people from seeking work. No wonder long-term sickness and disability is the most common reason given by both men and women for not working. It is not just older workers who qualify for Incapacity Benefit – each month over a thousand teenagers claim it. We are encouraging welfare dependency at the expense of individual responsibility. Incapacity Benefit needs reform.

Our proposed Employment and Support Allowance (ESA) will be fairer to new claimants and give the taxpayer better value for their money. It will pay more than Incapacity Benefit but new applicants will face rigorous medical tests to prove that they are entitled to it. Those judged capable of work will have to attend “work-focused interviews” and take part in “work-related activities”. At these interviews employment advisers will be available to help place people in appropriate employment. Claimants who refuse to attend for interview will have their payments cut. Those who take up employment will qualify for extra benefits. The practice of increasing benefits over time will be scrapped.

The UK already spends a greater percentage of its Gross Domestic Product (GDP) on schemes for disabled workers than any other country in the European Union. We are determined to continue to move people from welfare into work. Our proposed reform should lead to a million fewer Incapacity Benefit claimants by 2016. The social and economic benefits of work to the individual are obvious. New technology ensures that work is now less physically demanding. Savings made from the reform of Incapacity Benefit will, of course, be welcome. However, our main aim is to return to the fundamental principles of the welfare state. It is surely far better to help people into the workplace than to condemn them to a life on benefits!

Russell Barclay, Department for Work and Pensions (DWP) Spokesperson

**SOURCE B: ESA WILL INCREASE HARDSHIP**

In the UK today, more people than ever are in need of support from public funds. There are 7 million people of working age with either a mental or physical disability. Charities raise millions of pounds to plug the income and health gaps in the welfare state. They already spend more on the disabled than on any other group. Yet surely it is the responsibility of the state – not charities – to support people in need. There may well be 2.7 million who claim Incapacity Benefit but the number actually receiving Incapacity Benefit fell from 1.9 million in 1995 to 1.7 million in 2004, as so many claimants are turned down. This shows how tough the rules are already.

Politicians should not complain about the cost of the welfare state, and certainly never about Incapacity Benefit. During the 1980s, it was government policy to encourage people to claim Incapacity Benefit in order to hide the true level of unemployment. Now, the Government will increase hardship by discouraging people from claiming a benefit to which they should be entitled. Disability experts forecast big problems in deciding who is fit enough to work. Mistakes will be made. Many claimants will be unable to cope with the stress of attending interviews. Others will be pressed into taking and keeping jobs for which they are neither physically nor mentally fit. It is disgraceful that those with disabilities, and other groups vulnerable to poverty, such as lone-parents, are being forced into employment situations that they are unable to cope with. “Welfare to Work” policies are clearly more about saving money than meeting needs.

We live in an unequal society where there are obstacles to employment for many disabled people. Around a million people who want to work cannot find jobs, as employers are reluctant to take on staff with disabilities or other health problems. UK Government spending on the sick and disabled is already lower than for any other group and a lower percentage of one-parent families receive Incapacity/Disability Benefit than any other benefit. Effective laws to prevent discrimination against the disabled would be far more useful than making the rules for Incapacity Benefit even tougher. We fully support any proposals that help disabled people to get jobs but we totally oppose this proposed reform of Incapacity Benefit. An Employment and Support Allowance (ESA) will only lead to more social exclusion and undermine the collectivist principles of the welfare state.

Irene Graham, Disability Support Group (DSG) Spokesperson

**[Turn over for Source C on *Pages four and five***

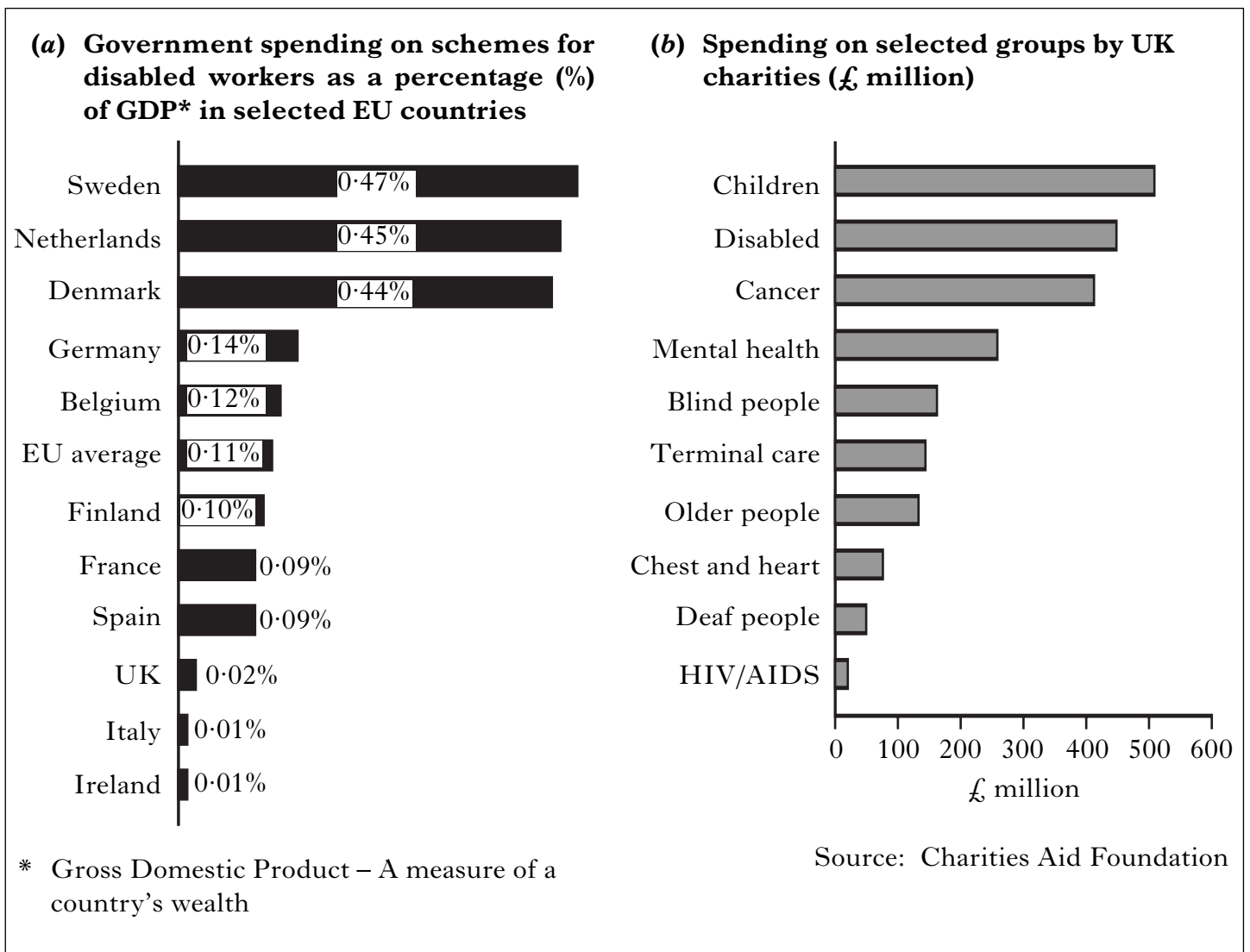
**SOURCE C: STATISTICAL INFORMATION**

**SOURCE C1: Reasons given by people of working age for not working**

Male	Reasons	Female
%		%
37	Long-term sickness/disability	21
6	Looking after family/home	45
30	Student	19
13	Early retirement	4
14	Other	11

Source: Adapted from Labour Force Survey, Office for National Statistics

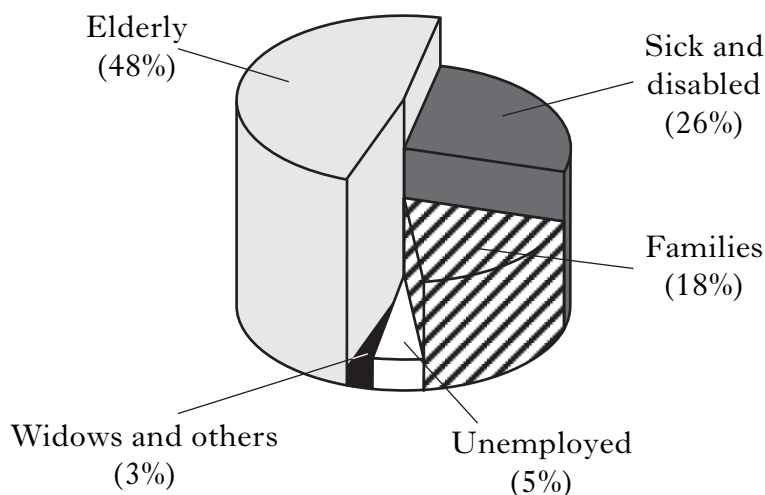
**SOURCE C2:**



**SOURCE C: (CONTINUED)**

**SOURCE C3:**

**(a) Percentage (%) share, by group, of UK Government benefit spending**



Source: Adapted from Department for Work and Pensions

**(b) Percentage (%) of one-parent families receiving selected benefits**

<b>Benefit</b>	<b>(%)</b>
Child	97
Working Families Tax Credit, Income Support <b>or</b> Minimum Income Guarantee	76
Incapacity/Disability	9
Council Tax	49
Housing	48

Source: Adapted from Family Resources Survey, Department for Work and Pensions

## DECISION MAKING EXERCISE

### QUESTIONS

*Marks*

Questions 1 to 3 are based on Sources A to C on pages 2–5. Answer Questions 1 to 3 before attempting Question 4.

In Questions 1 to 3, use **only** the Sources described in each question.

**Question 1** Use **only** Source C1 and Source A.

To what extent does the evidence support Russell Barclay? **3**

### Question 2

(a) Use **only** Source C2(a) and Source A.

Why might Russell Barclay be accused of exaggeration? **2**

(b) Use **only** Source C2(b) and Source B.

Why might Irene Graham be accused of exaggeration? **2**

**Question 3** Use **only** Source C3(a), Source C3(b) and Source B.

To what extent does the evidence support Irene Graham? **3**  
**(10)**

## Question 4

**DECISION MAKING TASK**

You are a social policy researcher. You have been asked to prepare a report for a committee investigating welfare provision in which you recommend or reject the proposal to introduce an Employment and Support Allowance (ESA).

Your answer should be written in a style appropriate to a *report*.

Your report should:

- recommend or reject the proposal to introduce an Employment and Support Allowance (ESA)
- provide arguments to support your decision
- identify and comment on any arguments which may be presented by those who oppose your decision
- refer to all the Sources provided

AND

- **must** include relevant background knowledge.

The written and statistical sources which have been provided are:

**SOURCE A:** ESA will be fairer

**SOURCE B:** ESA will increase hardship

**SOURCE C:** Statistical Information

(20)

**Total: 30 Marks**

[END OF QUESTION PAPER]

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