McNally, Bernard (2018) *After the financial crash of 2008, how will the UK's welfare to work policies affect the attitude of Scottish private sector employers towards hiring jobless people who have been disabled by mental illness?* PhD thesis.

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After the financial crash of 2008, how will the UK's welfare to work policies affect the attitude of Scottish private sector employers towards hiring jobless people who have been disabled by mental illness?

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After the financial crash of 2008, how will the UK's welfare to work policies affect the attitude of Scottish private sector employers towards hiring jobless people who have been disabled by mental illness?

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B.Sc., DMS. MCC.

Submitted in fulfilment of the requirements for the degree of PhD.

College of Social Sciences

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October 2016.

University of Glasgow

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Abstract

During the economic boom of the late nineties and early noughties, the last Labour government identified paid employment obtained from the competitive labour market as a realistic goal for people disabled by mental illness. Despite the effects of the financial crash of 2008 and the consequent recession, its successors have continued to argue this is the case.

One of the foundation stones of the policies they have used to pursue this goal is a biopsychosocial model of health, which sides with medicine in the longstanding dispute about the validity of the concept of mental illness. This model was used by the UK government to identify paid employment obtained from the competitive labour market as evidence of recovery in and recovery from mental illness. It did this by drawing on the belief recovery is an individual journey, the outcomes of disabled people's lives are determined by acts of agency; the language, but not the thinking, used by the disability movement to draw a distinction between disability and impairment; and research arguing people with a history of mental illness want to work and that they can obtain work from the competitive market when they are provided with appropriate support.

Another one is neoclassical economics: a static, deductive and utilitarian theory-driven economic model that has dominated UK policy since the late seventies. Like the government's preferred approach to recovery, neoclassical economics prioritises agency over structure. It argues labour market activity is a risk-driven endeavour and that economies have natural rates of unemployment, which can only be reduced by the state dismantling institutions preventing scarce resources such as labour from being distributed via price competition. As with medical thinking about mental distress, the neoclassical idealisation of the labour market has its critics. Amongst them are the old institutional economics, the new institutional economics, stratification economics and the new economic sociology. Different mixtures of empiricism, inductive thinking, theorising and attitudes towards neoclassicism ranging from relative enthusiasm to outright hostility, have for different reasons, led them to conclude to various degrees that institutions are necessary to impose order on uncertainty, unemployment can be a consequence of their influence and the state has to take this on board when taking policy initiatives.

The disputes within economics and between economics and sociology about the role of agency, structure and the state in the labour market raise doubts about the efficacy of the UK government's welfare to work policies regarding people disabled by mental illness. Doubts that have been echoed in comments made by the OECD in 2014, which voiced concern about the UK governments marginalisation of structural influences on the labour market. Surprisingly, the literature on disability and employability has not engaged with this dispute. This study starts to address this failure by drawing on the above models mental illness and the labour market activity to analyse how the UK government's welfare to work policies have affected demand from private sector employers in Scotland for labour from jobless people who have been disabled by mental illness. The analysis was conducted in two stages. First, it used evidence about the financial crisis of 2008 and statistics from the Westminster and Holyrood governments to paint a macroeconomic picture of the Scottish labour market for the period between 2008 and 2013. Then it conducted semi-structured interviews with thirty private sector employers about their understanding of mental illness and the labour market.

The initial part of the analysis argues rational price competition between private financial organisations caused the flow of money through western economies to dry up and that this caused the global financial crisis of 2008 and the deepest worldwide recession since the 1930's. Then it shows the UK government's adherence to neoclassicism led it to respond to these developments by directing government spending away from redistribution and service provision towards facilitating market competition and that the current tranche of welfare to work policies are part of this response. Finally, it uses figures from the Scottish and UK government for the period between March 2008 and March 2013 to look at the challenges facing these policies. Here it is shown that although the rise in unemployment has been relatively small given the depth of the recession. However it is also shown that there has been a sharp rise in underemployment, a significant drop in the number of vacancies and that private sector demand for labour will have to grow by as much as a third if the Scottish labour market is to successfully absorb those people with a history of mental illness the UK government hopes to move off disability benefits.

The second part found employers tend to link mental illness with strange and unpredictable behaviour; hold stigmatising beliefs about people with a history of these conditions; only hire them when information, which has been obtained independently of any vacancy, suggests they possess the technical and social skills necessary to fit in with how they do business; and they can discount the value of their labour. It then goes on to demonstrate five things. The first is that employers think workplace teams are different from the sum of their parts and that this has led them to believe the outcomes of recruitment decisions are always uncertain. The second is they protect themselves against uncertainty by taking a sequential approach to recruitment, one that involves ranking the sources of information they use to make recruitment decisions in terms of cost and reliability. In order of preference, these are personal experience, the experience of people they trust, recruitment agencies and open competition. The third is that their behaviour as they descend this hierarchy initially mirrors the thinking of the new economic sociology and stratification economists, then the new institutional economics until finally, it comes to bear its closest resemblance to neoclassical economics. The fourth is that employers descend the hierarchy for as long as their desire for profit outweighs their fear of harm.

The implications of this sequential multifaceted approach to recruitment for the ability of the UK governments welfare to work policies to improve the employability of people disabled by mental illness are identified by drawing on Zelizer's ideas about the role of connected worlds, circuits of commerce and media of exchange in economic activity. These ideas emerged in response to the under and over socialised thinking about the economy such as that offered by the new neoclassical economics, the new institutional economics and the new economic sociology. They form a line of thought that resonates strongly with the heterodox approach to economic analysis of the old institutional economics and stratification economics. They also provide a theoretical framework - that does not automatically blame the jobless for being unemployed - to hang the findings of this study about employers' multifaceted approach to recruitment; the co-existence of large numbers of vacancies and high rates of unemployment; the peripheral role played by human resources professionals in most recruitment decisions; the ignorance of employers about the UK government's welfare to work policies; and employers' hostility towards welfare to work contractors.

Taken together, the findings of this study indicate the people with a history of mental illness who will benefit most from the UK government's welfare to work policies will be those who inhabit the same social circles as private sector employers or those who have access to them. They also suggest these policies will be unlikely to increase the demand for their labour to anything like the degree necessary to absorb the numbers of them that will be moving off disability benefits. However, by using Zelizer's thinking about circuits of commerce and connected worlds to frame them, they offer hope welfare to work policies can be developed that recognise the importance of paid employment to recovery without conflating them. A set of policies that acknowledge the influence of impairments, social structures, job-related skills, and competition on employability, which accepts people diagnosed with mental illnesses will often need to be provided with rights and access to resources over and above those that support them to look for work.

Realising this possibility will require researchers in disability studies to engage with the economic and sociological debates about the labour market and build relationships with businesses, economists and other branches of sociology that are conducive to investigating how the economic and social lives of employers influence their targeting of pools of labour; clarifying when it is possible to include people with a history of mental illness in these pools, establishing how to go about doing this, determining when it is in their interests to do so and identifying what to do when it is not.

Table of Contents
Declaration of Originality

Acknowledgements

Abstract

List of tables.

<p align="center">**Chapter One:**</p>

<p align="center">**Introduction.**</p>

1.1 The need for the research.

During the last economic boom, the UK experienced a shortage of labour (Dustmann et al. 2005). At the same time, the numbers of people in the UK who were leaving the labour market because of their mental illness had been continually rising (Social Exclusion Unit 2004; DWP 2012). By 2003 half of the people in the UK and Scotland receiving disability benefits did so because of their mental health (Social Exclusion Unit 2004). The response of the last Labour government to these developments was to introduce a tranche of market focused welfare to work policies whose aim was to increase the supply of labour by moving welfare spending way from the provision of services towards incentivising disabled people to engage with the labour market.

However, these policies failed to reverse this trend (DWP 2016a, b). Then in the latter half of 2008, the western economies experienced a financial crisis, and the UK economy suffered the deepest recession since the 1930's (Hay 2010; Stiglitz 2010). Automatic stabilisers meant the demand for labour did not drop as much as it did then (Doll et al. 2009; Veld et al. 2012), with unemployment rising by 2%, in the UK and 4% in Scotland (Lambert 2010; Scottish Government 2011). At first glance, these figures seem relatively benign, but they obfuscate an increase in underemployment of 25% (Scottish Parliament 2014) and a considerable drop in the number of vacancies (Nomis 2014).

Two responses by subsequent governments to the recession were to try and increase the role of the market in distributing resources by reducing public sector employment and adapting the supply side approach of the last Labour government to increase the pressure on people to move off disability benefits and into the labour market. The disputes within economics and between economics and sociology about market activity, together with concerns voiced by the OECD (2014) about the failure of the UK governments welfare to work policies to address the structural influences on employability, raise doubts about the efficacy of the UK governments welfare to work policies. Given the proportion of people who receive disability benefits because of their mental health, it becomes reasonable to

ask, how will the UK government's welfare to work policies affect the attitudes of Scottish private sector employers towards hiring jobless people who have been disabled by mental illness?

1.2 The goals of the research.

This thesis aims to address this question by conducting a quantitative and qualitative sociological study. The first part will use the literature and government statistics to look at the labour market employers operate in. The second will present evidence from employers about their experience, and understanding of mental illness and hiring staff. In the course of addressing the research question, I hope to help jobless people with a history of mental illness better protect their interests by introducing lines of thinking about the labour market that has been hitherto absent from the disability literature, and pinpointing areas that would benefit from further research.

1.3 The catalyst for the research.

As the recession was making its presence felt, someone close to me was diagnosed with a mental illness. Consequently, this person was hospitalised periodically, which eventually cost them their job. I supported them to deal with mental health professionals and manage the personal, social and economic impact of these events. Afterwards, when their well-being improved, they decided to return to work. At first, they were optimistic about being able to do this, because before becoming unwell they had worked since they had left school. Gradually, successive rejections disheartened them. When we discussed this, I made an offer, which was accepted, to use the contacts I had developed in thirty years of working in management at operational and strategic levels to introduce them to employers. Shortly afterwards, one of my contacts hired them, and since then they have not been out of work.

This experience made me believe the routine exclusion of people with a history of mental illness from the workplace represents an injustice. Consequently, I reflected on the role of personal contacts, trust, and competition in shaping employment opportunities and the clash between my current beliefs and my past actions as an employer, when I often rejected applications from job seekers, without talking to them, if felt their history

signalled the potential to disrupt production. As a result, I became interested in attempts by policymakers to move people with a history of mental illness off disability benefits. Why they said they were doing it; how it was being done, the justifications given for their approach, whether they took account of labour market conditions, and the results of these endeavours. When I retired, I took the opportunity to pursue this interest further and immersed myself in two different bodies of work: sociology and economics. Here, I discovered two things. Disability studies had concentrated on identifying, investigating and quantifying barriers that were preventing people disabled by their mental health from supplying their labour to the market and it had failed to engage with the debate within economics and between economics and sociology about the role of agency and structure in shaping labour market structures and outcomes. As a result, I decided to take on the challenge offered by the research question.

1.4 Preparing for the research.

The geographic reach of these policies is considerable. The academic ground relevant to them is, enormous. The disability literature shows medicine, psychology, psychoanalysis and sociology offering different perspectives on mental illness (Rogers and Pilgrim 2010). Meanwhile, the economic literature indicates that insights into the labour market are provided by, amongst others, neoclassical, Austrian, behavioural, classical, developmental, feminist, Keynesian, Marxist, old institutional, new institutional, Schumpeterian and stratification economics and the new economic sociology (Ha 2014; Swedberg and Granovetter 1992; Darity Hamilton and Stewart 2015). Because of this; I concluded that my investigation would have to start by addressing the question of breadth versus depth.

Because I was a sole researcher with limited resources living in Scotland looking at something new, I believed it was reasonable to focus my activities on the Scottish labour market. To decide on the academic ground that needed to be covered, I marked out the opposite ends of the debate about mental illness and economic activity.

The antipodes of the debate about mental illness are represented by those who see it as a biological phenomenon: a body's reaction to a pathogen or physical trauma and those

who view it as a social construction. Criticisms of psychiatry made by social constructionists argue many of its diagnostic categories are myths because of the lack of physical evidence to support their existence (Szass 1987). Biological determinists argue improvements in analytical techniques and technology will enable investigations into mental illness to provide continually improving descriptions of reality (Rogers and Pilgrim 2012). Social constructionists argue mental illnesses are by-products of the activities of mental health professionals. In other words, the application of psychiatric labels brings into play social pressures that cause the labelled person to manifest the behaviour associated with that label (Scheff 1984).

The debates about the labour market can be captured by the questions, what came first, agency in the form of price competition or the structure created by the institutions that regulate this competition, is the market best described as a closed static mechanism or an open evolving multi-faceted organism, what is the preferred form of market activity, agreements between private individuals or agreements regulated by institutional pressure and are such institutions exogenous or endogenous to the market? Neoclassical economics and its new institutional offshoot argue agency precedes structure, the market is a mechanism, and private ordering is preferable to that created by institutions, with the former identifying institutions as exogenous to the market and the latter as endogenous (Ehrenburg and Smith 2012; Williamson 1975). On the other hand, the new economic sociology argues structure precedes agency, the market is an open multi-faceted organism and market activity influences and is influenced by social structures with their fostering of groups and their associated habits, identities, intimacies, rivalries and media of exchange (Granovetter 1985; Zelizer 2007; 2011).

Medicine, neoclassical economics and the new institutional economics offer under socialised views of mental illness and economic activity while sociology and the new economic sociology offers over socialised perspectives on these topics (Pilgrim and Rogers and Pilgrim 2010; Granovetter 1985; 1995a; Uzzi 1996; 1997). These under and over socialised understandings of mental illness and the labour market each offer valuable insights into the reality of the relationship between people who have been disabled by mental illness and the labour market that the other struggles to accommodate.

Drawing on one would maintain the depth of the study and hold out the prospect of some exciting theoretical challenges. But utilising them all would allow new lines of economic thought to be introduced to disability studies, hold out the possibility of providing a more rounded description of the relationship between people who have been disabled by mental illness and the labour market and offer hope that bridges can be built between researchers interested in disability studies, economics and economic sociology. The ultimate goal of this study is helping people with a history of mental illness to protect their interests. Because of this, I decided to sacrifice depth for breadth and take a heterodox approach to the research question, one resonating with the tack taken by old institutional economics, its close relation stratification economics and the later work of Zelizer.

1.5 The approach to the research.

To understand how multiple understandings of mental distress and the labour market influenced the methodological approach I took to this study, it is worthwhile reflecting on the nature of theory. Theories are developed by abstraction. Theorists identify a variable influencing a phenomenon as pivotal, either a or post priori, then they look at what happens when this variable is altered, and everything else is held constant (Bhaskar 1989; 2008). Gradually, this process is used to paint a picture of the world. Implicit in this approach is a belief that this world can be understood, it exists independent of our knowledge of it, and our understanding of it can change it (Bhaskar 1989; 2008). However, outside of the laboratory, such practice is not possible except as an intellectual exercise. Consequently, people's understanding of events, especially social ones, is often a matter of perspective. As a result, people react to the same phenomenon in different ways and come to different conclusions about whether things are physical or spiritual, complex or complicated, good or bad, important or unimportant, normal or abnormal and the influence of agency and structure on a move from a less desirable state to a more desirable one (Bhaskar 1989; 2008). It is therefore inevitable there will be a variety of theories with different strengths and weaknesses about the same phenomena. From this, it is reasonable to conclude location, beliefs and values influence what people research, how they research it, where they research it, their goals in doing so and how they

interpret its results. All of this is compatible with my belief that the literature shows the various models of mental distress and economic activity to offer valuable insights. However, making use of them demands I find an approach to the research question that can accommodate the influence of perspective, the possibility of transcendence, the concepts of risk and uncertainty and the power of narrative. Because of this, I decided to take a critical realist approach to the research question.

1.6 The structure of the thesis.

The second chapter: 'Mental illness, recovery and the UK government's welfare to work policies', discusses the history of the relationship between people diagnosed as mentally ill and the labour market. It opens with a look at the medical model of mental distress, how criticisms of psychiatry and the concept of mental illness gradually changed the locus and provision of care, and how this gave rise to debates amongst people who had been diagnosed as mentally ill about the nature of mental distress, the effect of being labelled mentally ill, and the idea of recovery. Then it introduces two lines of thought that along with medicine informed these discussions: social causation following Marx and social action in the form of symbolic interactionalism. From here, it goes on to show that in Scotland the dominant understanding of recovery to emerge from these debates is one that demands people accept the reality of mental illness and the limitations it imposes, identify realistic goals, and then pursue these goals in an enthusiastic manner (Brown and Kandirikirira (2007). Next, it discusses how disabled scholars redefined disability as a social rather than a biological problem. Then it shows that policymakers at an international level responded to the challenges thrown up by the social model of disability to the hegemony of medicine over disabled people by adopting Engels's complex biopsychosocial model of health (Imrie 2004). A move that enabled them to use the language of the social model while rejecting its central premise. It then goes on to show that in the UK, Waddell and Aylward (2006) and Waddell and Burton (2006a) adapted this model by reducing it to a complicated one. Consequently, they were able to argue the role of medicine should be to identify what impairments allow people to do and that the outcomes of disability are determined by acts of agency, which is a move that made the biopsychosocial model more friendly to market-orientated policies. After this, it

shows that as this was happening, Waddell and Burton (2006b) had published work identifying paid employment as being beneficial to mental health. It is then argued that UK policymakers yoked these developments to research showing people disabled by mental illness want the same type of work as their non-disabled peers (Boardman 2003; Boardman et al. 2003; Bond 2004; Dunn Grasso and Saunders 2014; Rinaldi et al. 2008) and that they could achieve this ambition if they were provided with appropriate support (Drake et al. 1996; Becker and Drake 2003; Bond 2004). The aim here being to identify paid employment obtained from the competitive market as evidence of recovery in and recovery from mental illness (HM Government 2009). The chapter then introduces the welfare to work policies the UK government is using to pursue this vision of recovery. Finally, it concludes by arguing that because these policies marginalise structural influences on employability, there is a need to investigate whether they will increase the demand from employers for people with a history of mental illness.

The third chapter: 'Welfare, theories of the labour market and welfare to work policies' explores the relationship between neoclassical economics and the UK government's welfare to work policies by juxtaposing it with the old institutional economics, the new institutional economics, stratification economics and the new economic sociology. It starts with a brief piece of economic history, which shows that after a long struggle, first with the old institutional economics and then Keynesianism, neoclassical economics came to dominate the thinking of academics and policymakers. Here, the emergence of the welfare state, how it is viewed, and the role of economic crisis in shaping relationships between academia and policymaking will be touched on.

The discussion will then turn to neoclassical economics' understanding of the labour market. The first thing that will be looked at here will be its use of unrealistic axioms to deductively construct a theoretical ideal: the mechanical perfectly competitive market. Then it will turn to its attention to its use as a benchmark with which to judge economic activity in the real world, the beliefs this use generates about unemployment, the unemployed and the state's policymaking role and how neoclassicists address criticisms of their approach to economic analysis. After this, the work of Friedman (1968), Phelps (1968) is used to introduce the neoclassical concept of a natural rate of unemployment.

Then work by Layard al.(1991), Layard and Nickell (2003) and Layard (2001) will be drawn on to identify the relationship between the idea of a natural rate of unemployment and the UK government's welfare to work policies. Next, the focus will be on the longest standing critic of neoclassicism: the old institutional economics. Leaning heavily on work by Hodgson and Rutherford it will show this heterodox approach to economic analysis views the economy as an open evolving system, which approaches economy analysis from the opposite direction to neoclassicism. Moving from general ideas about the interaction of agency and structure in the real world and how it evolves to the development of explanations for economic activity in a particular time, place and institutional setting. During this reflection, the bridge Minsky built between the old institutional economics and Keynesianism, with his work on the role of money in shaping inflation and unemployment rates will be introduced.

The next part of the discussion looks at three lines of economic thought that have emerged relatively recently: the new institutional economics, stratification economics and the new economic sociology. This will show the new institutional economics leans heavily on the neoclassical theory to explain the existence of institutions in terms of the efficient management of transaction costs (Williamson 1975; 1985; 2000), stratification economics follows in the footsteps of the old institutional economics by using a heterodox approach to economic analysis to argue cooperation within and competition between groups has produced results that require policies that pursue full employment and address historical injustices (Darity 2012; Darity Hamilton and Stewart 2015) and that the new economic sociology is a backlash against the under socialised understanding of economic activity on offer from the neoclassicism and the new institutional economics (Granovetter 1985), whose limitations led led Zelizer (2011) to conduct heterodox investigations into the role played by intimacy, connected worlds, circuits of commerce and multiple media of exchange in economic activity.

At this point, the discussion will come to three conclusions. The first is neoclassical economics, the new institutional economics and the new economic sociology all offer valuable insights into the buying and selling of labour in the real world. The second is Granovetter is correct to argue neoclassicism, and the new institutional economics offer

an under socialised approach to economic activity as is Uzzi (1996; 1997) who concludes the new economic sociology provides an over socialised one. The last conclusion is Granovetter (1985) has good reason to mourn the decline in influence of the old institutional economics for its heterodox approach to economic analysis has built bridges with Keynesianism while being able to draw on, whenever appropriate, theories and insights from neoclassical economics, new institutional economics, the new economic sociology and stratification economics.

The chapter closes by looking at the influence on the literature on improving the employability of people disabled by their mental health of the debates within economics and between economics and sociology. Here it will be shown that the focus of this body of work has been barriers to the market rather than the workings of the market and how this influences the reactions of employers to real people in actual recruitment situations (Hayward and Bright 1997; Sharac et al. 2010). It will argue this means there has been no engagement with four issues relevant to the research question. The state of the labour market; employers'understanding and experience of mental illness, their beliefs about what is involved in purchasing labour, their actions when they do so and how welfare to work policies have influenced this behaviour. The chapter will then close by concluding cutbacks in the public sector influenced by neoclassical thinking mean the best way to address these issues is by concentrating on the private sector.

The fourth chapter: 'A macro-level exploration of the Scottish labour market at the time the UK government was implementing its welfare to work policies', addresses the first of the above issues by looking at the state of the Scottish labour market. It does this in four parts. It revisits the financial crisis of 2008 and the subsequent recession and draws on work influenced by Hyman Minsky to argue the demand for labour and how money flows through an economy are interrelated. Then it demonstrates that the policy response of the UK government to the recession, which was to address it with supply-side initiatives means the quality of life of people with a history of mental illness will become increasingly reliant on having the ability to sell their labour to private sector employers. Next, the economic and sociological literature is used to unpack what government statistics tell us about the effect of the recession on private sector demand for labour.

Here it will be shown that currently there is an excess supply of labour, that the surprisingly small drop in unemployment given the depth of the recession disguises a sharp increase in underemployment, and that employers tend to stick with existing suppliers of labour even when cheaper ones are available. Finally, it discusses the numbers of people receiving benefits that the government hopes to move into employment. In doing so, it will demonstrate that not only would the market at the height of the last boom have struggled to absorb the numbers in question; the private sector will have to grow by a third if it is to do so in the future. However, it will argue that because the evidence shows employers currently hire some people with a history of mental illness, we are not yet in a position to ascertain what effect the UK government's welfare to work policies will have on employers demand for labour from those of them who entered the labour market after being in receipt of disability benefits. It will conclude that to arrive at this destination employers need to be spoken to.

The fifth chapter,'Researching the attitudes of employers to hiring people with a history of mental illnesses', prepares the ground for this investigation. It opens with a reflection on an appropriate methodological approach to the research question that was driven by a desire to capture the reality of employers beliefs and experiences about mental illness and the labour market. I decided that to do this; I needed to be able to draw on the important insights into these topics offered by the under socialised perspectives of medicine, neoclassical economics and the equally important but over socialised ones provided by sociology and the new institutional economics. These demands led me to draw two conclusions: I would take a heterodox approach to economic analysis, one consistent with approach of the old institutional economics, stratification economics and the later work of Zelizer; and that taking such an approach will be best served by taking a critical realist approach to analysing the data. Adopting the stratified transcendental view of reality held by critical realists meant I had to define the research subjects tightly, be cautious about identifying universal causal links, and word the research question in a way that precluded a simple yes-no answer (Bhaskar 1989; 2008). From here the discussion moves on to explore the challenges facing a researcher when they investigate elite groups such as employers and the issues surrounding the relationship between the researcher, the topic under research and the research subjects. This will show researchers have struggled to get

employers to take part in sociological research (Winkler 1987; USEOC 2003; The Observatory 2003; Wood et al. 2009), some of them have essentialised employers in ways that would be unacceptable if it was done to other research subjects (Ostrander and Welch 2002) and that this has led to them being treated disrespectfully (Kogan 1994). Then, the discussion goes on to make a presentation about the study's sampling strategy; approach to recruitment and the gathering of information, which will show that in line with the thinking of Wood et al. (2009) employers are more likely to take part in such research when appropriate lines of communication are identified and opened up. After this, there is a consideration of issues relating to ethics, research quality, data collection and data analysis. The first part uses my experience of interacting with employers and work by Coggan (2007) to conclude that the line taken on ethics by the University is not fit for purpose as far as researching employers is concerned. The second part leans on the work of Kuhn 1970 and Winter (2000) to argue that for qualitative research, construct validity and trustworthiness are better measures of research quality than reliability and validity. Then hindsight is drawn upon to claim, contrary to Bogacz (1989), that interviews with employers need not be conducted on a one-off basis. Finally, I use my immersion in the data to conclude that analysing it always requires context to be borne in mind.

The next three chapters explore employers' experience of mental illness; why they trade for labour in the way that they do and the influence of the government's welfare to work policies on their recruitment practices by analysing evidence obtained from them as a result of conducting a set of semi-structured interviews.

The sixth chapter, 'Employers and their beliefs about, experiences of and reactions to people with a history of mental illness', starts with a discussion about what employers have identified as their three primary sources of information about mental illness: medicine, the media and the workplace. In doing so, it will demonstrate that they have led employers to believe a history of mental illness signals the potential for strange and unpredictable behaviour and that hiring people with such a background poses a threat to production. After this, it will show that despite this, employers will employ them as long as shared group membership has generated and circulated information showing they have

the attributes necessary to fit in with how they and their employees do business. Then it reflects on how this behaviour enables employers to accept that stigma influences the life chances of people with a history of mental illness and reject the idea stigma shapes their recruitment practices while using it to discount the value of the people they hired who have been mentally ill. The discussion then closes by asking whether preferring to use information generated independently of a vacancy to fill a vacancy is standard recruitment practice or whether it is something that is peculiar to the presence of mental illness.

The seventh chapter, 'What private sector employers think shapes their demand for labour', prepares the ground for investigating this by juxtaposing the beliefs of employers about hiring staff with those held by policymakers. It does this in four parts. The first shows their views about the relationship between the demand for goods and services and the demand for labour coincides with those held by neoclassical economics. Next, it shows they want a new employee to be technically competent and a social fit with existing staff. Then it goes on to demonstrate that unlike neoclassicism, but like both schools of institutionalism and the new economic sociology, employers believe identifying someone with these attributes is an endeavour that has uncertain and potentially hazardous cost implications. Finally, the chapter comes to a close by considering the impact of the differences between employers beliefs about trading for labour and those held by policymakers.

The eighth chapter, 'Employers recruitment practices and the influence of the UK government's welfare to work policies', explores evidence from employers about how they recruit staff. It shows they try and make a task with an uncertain outcome more predictable and less hazardous by using a two-stage process. First, independent of any vacancy they rank sources of information about someone's employability in a hierarchy based on their beliefs about its reliability and cost. In descending order these tend to be information generated by personal experience, people they trust, obtained for a fee, and open competition. When they decide to recruit staff they descend this hierarchy for as long the vacancy remains unfilled, and their desire for profit outweighs their fear of harm. When discussing this hierarchy it will show that as they descend it, their hiring practices

resonate in turn with the work of Zelizer (2007) on intimacy, Granovetter (1985; 1995a) on embeddedness, Darity (2005; 2009a) on cooperation within and competition between groups and Williamson (1975; 1985; 2000; 2007) on transactional costs until finally it bears its closest resemblance to neoclassical arguments about price competition. It concludes that the use of this hierarchy by employers explains why they knowingly hired individuals from a stigmatised group, people with a history of illness, their reluctance to hire human resources professionals, the existence of vacancies when high unemployment means there is an accessible supply of suitably qualified labour, their ignorance of the UK government's welfare to work policies and their hostility towards welfare to work contractors.

The final chapter, 'Conclusions' discusses the analysis that has taken place in the four data chapters. It begins with a summary of the thesis. It then reaches two conclusions about the effect of the UK welfare to work policies on the demand from Scottish employers for labour from jobless people who have been disabled by mental illness. The first is that any increase in demand is unlikely to be enough to prevent the vast majority of people from remaining out of work and the second is the people who will benefit most from any increase will be those whose social circles include employers or people known to them. It does this by drawing together the work of Granovetter (1985; 1995) on embeddedness; Williamson (1975; 1985; 2000) on transaction costs; Minsky (1982; 1992) on the correlation of the demand for labour and how strongly money flows through an economy; and Darity (2005; 2009); Darity Mason and Stewart (2010) and Darity Hamilton and Stewart (2015) on the economic experience of stigmatised groups by utilising the work of Zelizer (2011) on connected worlds, circuits of commerce and media of exchange.

The discussion then goes on to argue the findings of this study show two things. First, there is a need to develop a less reductive model of demand to guide research into improving the employability of people who have been disabled by mental health problems and second, doing this requires researchers from the field of disability studies to engage with employers and debates about trade within economics and between economics and sociology far more than they have done in the past. As a platform for

developing such a model, this study offers the arguments Zelizer (2011) about trade being conducted in circuits of commerce that are regulated by different rules, which use various media of exchange. The thesis ends by suggesting her work opens the door to developing a set of welfare to work policies whose conferring of rights is not informed by a desire to restructure society as a market. In other words, policies, which acknowledge the conceit involved in identifying paid employment as evidence of recovery from and recovery in mental illness and demonstrate less hostility to the redistribution of wealth by the state.

Chapter Two:
Mental illness, recovery, paid employment and the UK government's welfare to work policies.

2.1 Introduction.

This chapter has three aims. The first is to explore changes in the relationship between medicine and the mentally distressed. In the course of doing this, it will show that the idea that mental distress is a consequence of a biological anomaly has been disputed by scholars from a variety of disciplines including sociology for a considerable period. Then it will show how these changes led to paid employment obtained from the competitive labour market being identified by the UK government as evidence of recovery in and recovery from mental illness. And finally, to introduce and reflect upon the welfare to work policies it put into place to pursue this vision of recovery.

It will open by looking at how mental distress became mental illness and the emergence of the discipline of psychiatry. Then it reflects on how criticisms of psychiatry and psychiatric practice together with developments in neuroscience, pharmacology and sociology led to changes in the locus, and provision of care for people diagnosed as mentally ill. Next, the ground will be prepared for a discussion about how these changes facilitated debates about the meaning of recovery as it relates to mental illness with the introduction of two lines of thought that have, in addition to medicine, been influential here. The first is social causation, specifically Marxism; and the second is social action in the form of symbolic interactionalism. In the course of doing this, consideration will be given to the different insights into mental distress and recovery on offer from these epistemes.

The discussion on the debates about the meaning of recovery will show how people disabled by their mental health and their allies used insights offered by medicine, Marxism and symbolic interactionalism to generate different understandings of recovery that are unique, partial, frequently antagonistic, and therefore ontologically problematic. Then, it will show how the emergence of a social model of disability led policymakers at

an international level to frame disability as a complex biopsychosocial phenomenon. Following this, it will discuss how the UK government was able to identify paid employment as evidence of recovery in and recovery from mental illness by drawing on work that adapted the biopsychosocial model of well-being, thinking about recovery and disability that emphasised agency, and research indicating people with a history of mental illness could, with appropriate support, successfully compete for work in the competitive labour market. The discussion will start to draw to a close by introducing the welfare to work policies the UK government believes will enable people with a history of mental illness to compete for work in the labour market: changes to the benefits system, anti-stigma campaigns and vocational support programmes. Finally, it will close by asking what questions arise from the presumption of these policies that agency is the determinant of employability.

2.2 The changing relationship between psychiatry and the mentally distressed.

In the 18th century, the Enlightenment and the Industrial Revolution established science rather than religion as the lens through which the world should be viewed (Thompson 1967; Foucault 2001; Hobsbawn 2006). Demographically they heralded a massive increase in the population and a move from a rural to an urban society (Thompson 1967; Hobsbawn 2006). Economically, they produced enormous increases in and unequal distributions of wealth (Hobsbawn 2006). Socially, these changes led to huge rises in the numbers of people who were destitute and involved in activity deemed criminal or deviant (Thompson 1967; Foucault 2001; Hobsbawn 2006). Consequently, the authorities confined a significant proportion of the poor in prisons or workhouses where the conditions were often horrific (Thompson 1967; Hobsbawn (2006). Here, mental distress often manifested itself as strange, unusual, unpredictable and disruptive behaviour, which their guards struggled to cope with (Porter 2002; Scull 1975). Together these developments enabled medicine to succeed in having three related arguments accepted by the state: abnormal behaviour that is not directed at material gain is a symptom of an illness, not a reaction to intolerable living conditions, successful diagnosis and treatment will return the behaviour of the mentally ill to normal; and the symptoms of mental illnesses mean medical practitioners have to have the power to impose their authority on

the mentally ill (Foucault 2006; Porter 1987; 2002; Scull 2011; Rogers and Pilgrim 2010).

Medicine's success gave rise to the institution of the asylum and the new profession of psychiatry (Foucault 2006; Scull 1975; Porter 2002). Forcible confinement in remote locations allowed psychiatrists to continually examine monitor and test those they had diagnosed as mentally ill (Porter 2002; Rogers and Pilgrim 2010; Scull 1975). Despite this level of access and control, they often failed to link diagnostic categories to lesions or offer patients any hope of a cure and frequently used violence to bring uncooperative patients under control (Porter 2002; Roger and Pilgrim 2010; Foucault 2006; Scull 1975; Porter 2002). As a result, critics used the failures of psychiatry and the nature of psychiatric practice to dispute whether there was such a thing as mental illness (Rogers and Pilgrim 2010). To protect itself and the concept of mental illness medicine successfully protected itself by adopting a pseudoscience, which was fashionable in the late nineteenth and early twentieth century: eugenics (Porter 1987; 2002; Rogers and Pilgrim 2010). The effectiveness of this defense was reduced by the First World War because it resulted in significant numbers of soldiers, many, members of the upper echelons of society and working class volunteers fuelled by a sense of patriotic duty, returning home from the battlefield in states of severe mental distress. Now, it became politically and socially problematic to argue mental illnesses was the product of breeding, or that violence was an appropriate tool to control the behaviour of those who suffered from them (Bogacz 1989).

The space created by this development allowed the emerging disciplines of psychology and psychoanalysis to link their insights into mental distress to those of psychiatry's existing critics and mount a challenge to medical authority over the mentally unwell (Porter 1987; 2002; Pilgrim and Rogers 2010). Psychiatry's response was two-pronged. First, it highlighted its scientific foundations (Rogers and Pilgrim 2010) and then it drew attention to the ontological and epistemological weaknesses of its critics. Examples of these are psychology's reliance on arbitrary statistical cut-off points, psychoanalysis's tendency to reframe the symptoms of physical ailments, including pain, as the products of unconscious thoughts and the failure of either of them to provide a comprehensive

explanation for mental distress (Rogers and Pilgrim 2010). Gradually, these tactics enabled psychiatry to subordinate psychology and psychoanalysis to its authority (Porter 1987; 2002; Rogers and Pilgrim 2010; Bentall 2003) [1]. However, they also led to a refinement of the medical model of mental distress. Although strange, unusual, unpredictable and disruptive behaviour was still seen as evidence of mental illness, its cause could now be a lesion or a biological response to a significant life event. As a result, there were now two categories of mental illnesses: neuroses and psychoses (Porter 1987; 2002; Rogers and Pilgrim 2010; Bentall 2003).

With this challenge to its authority behind it, psychiatry used these changes to identify more types of behaviour as evidence of mental illness (Porter 1987; 2002; Rogers and Pilgrim 2010; Bentall 2003) and diagnose increasing numbers of people as mentally ill (Wittaker 2010; Horowitz and Wakefield 2012). However, not only was it still unable to link many mental illnesses to lesions or offer its patients hope of a cure it was now also unable to explain why many people seemed to recover from mental illnesses without any medical intervention (Porter 1987; 2002; Bentall 2003; Rogers and Pilgrim 2010). Consequently, critics of psychiatry were able to argue, with increasing force, that the evidence showed medicine's understandings of mental distress was either partial or mistaken (Rogers and Pilgrim 2010); its diagnostic categories were often mere hypotheses (Mirowsky and Ross 1989a; 1989b) and that its treatments were frequently pointless (Szass 1987; Bentall 2003) [2]. These arguments fuelled new concerns about psychiatry, psychiatric practice and the cost-effectiveness of asylums. Although these did not lead to a rejection of the medical model of mental distress, they did result in compulsory confinement in asylums and treatment by psychiatrists being reserved for the minority of mentally distressed individuals whose diagnosis signalled the potential for dangerous behaviour (Rogers and Pilgrim 2010).

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[1] Later in the sixties, medicine took the same approach to psychiatric dissidents such as Cooper, Laing and Szasz who argued that a diagnosis of mental illness was an oppressive act. In addition to highlighting its science-based approach medicine obfuscated the different ideological positions of its critics by labelling them as anti-psychiatry. For more on this see Rogers and Pilgrim (2010).

[2] Caution needs to be exercised before embracing these criticisms too enthusiastically: medicine has identified many lesions that produce the types of behavior associated with mental illness; amongst them Syphilis, Dementia and Alzheimer's. Furthermore, it has developed treatments that have alleviated the suffering caused by many conditions.

For the majority, care was now provided in community settings and coordinated by general practitioners (Rogers and Pilgrim 2010). For many, this involved exclusion from the workforce and the provision by the state of financial support in the form of disability benefits. By the end of the first decade of the twenty-first century, the numbers of people who had been identified as being disabled by mental illness had grown to the point where they made up almost half of the recipients of these benefits (DWP 2012). However, the money provided by these benefits together with low levels of social mobility in the UK (Blanden et al. 2005; Social Mobility and Child Poverty Commission 2014) meant a disproportionate number of people found themselves trapped in areas with high rates of crime, poverty, unemployment and poor access to high-quality education and health care (Dohrenwend 1992; Meltzer et al. 1990; Thomas et al. 1996; Marwaha and Johnson 2004; Butterworth 2009; Crisp 2009). Given this situation, it was not entirely surprising to find they were more likely to be unemployed than any other group of disabled people (Social Exclusion Unit 2004) or that they were more likely to die than find work (Select Committee on Work and Pensions 2014). Perhaps less predictably, it also seems to have led them to discuss mental distress, mental illness and the meaning of recovery. In addition to medicine, two lines of thought were highly influential here: social causation following the thinking of Marx and social action, specifically symbolic interactionalism, a body of work rooted in insights provided by Weber and the American pragmatists. So before looking at the influence of these discussions on mental health policy, it is necessary to consider these lines of thought and their understandings of mental distress.

2.3 Social causation: Marx and mental illness as a form of alienation.

According to Marx, securing the resources necessary to survive and thrive requires humans, willingly or otherwise, to enter into relationships that subordinate their will to that of others (Elster 1985). He argued these relationships constituted the Economic structure of society, provided the foundation for its legal, medical and political superstructures and acted as determinants of social consciousness (Marx 1859). From this perspective, understanding human experiences, such as mental distress, requires understanding how people are physically organised and how this organisation affects their relationships with each other and with nature (Marx and Engels 1968).

In constructing his argument, Marx identified four parameters that determine how people are organised: the means, forces, relations and mode of production. The means refers to natural resources and technology; the forces comprise of humanity's physical and intellectual power; the relations are the sum of the social relationships a person must enter into to thrive, and the mode is a combination of the forces and relations of production (Elster 1985). Marx argued that capitalism changes the purpose of work. Instead of supporting the physical and mental well-being of the worker, its goal becomes the creation of profits for the capitalist. It does this by exploiting the difference between labour as something whose value cannot be determined in advance and its ability to be measured and priced in terms of hours (Marx 1999). As a result, humans become alienated from their work and their social and physical environments, and wealth creation becomes defined as the product of individual rather than collective action (Elster 1985).

At this point, it is necessary to be clear what Marx means by alienation. Some degree of estrangement or distance is required for the creation of a relationship (Buber 1957). If one adopts the Hegelian notion of distancing through objectification and identifies distance as a form of alienation, then it follows that alienation is normal, inevitable and in many cases desirable because autonomy is impossible without it. But, although relationships imply the existence of distance, this does not mean that distance implies the existence of relationships (Samuels 1976). Most writings on alienation share this conceptual base, which is one that places great emphasis on the relationship between alienation and objectification (Evans 1978).

The meaning of alienation concerning paid employment emerges by reflecting on what happens when someone works for wages. Here, someone puts something of themselves into what they produce, which they surrender for money. In doing so, they objectify them self, in a way that separates them from the products of their labour. Consequently, goods and services can now be valued in terms of exchange rather than usefulness. These valuations start a process of reification, where humans gradually become defined by when, where, and how they contribute to production (Marx 1999). As a result, the experienced world becomes an objective reality. But because people are denied access to

or are excluded from aspects of this reality, they become unable to see themselves as they are. Because of this, they develop a false consciousness, which alienates them from each other and nature (Marx 1999).

For the most part, false consciousness led Marx's followers to look on alienation as a practical historical problem rather than a subjective experiential one (Evans 1978). However, some have used his thinking about capitalism and alienation to argue this is not the case. They hypothesised that subconsciously, people are aware of the dissonance between their conscious beliefs and a social reality where capitalist production creates and reifies social classes. Deep down, they know their destiny is, for the most part, beyond their control, a matter of structure rather than agency. As a result, they find their social environment stressful, which causes some of them to behave in ways that capitalist societies view as deviant. Actions that Berger and Pullberg (1966) have identified as an attempt at "dereification"; which is a concept that resonates with the idea of self-alienation, which has frequently been used in studies of mental illness (Evans 1978). Now, instead of being seen as something caused by a lesion, mental distress becomes identified as a failure of people to internalise successfully the things capitalism deems to be desirable (Scull 1975; 1979; 2006).

In this schematic, medicine's authority can be seen as part of the "superstructure" that has emerged from the dialectical struggle between capital and labour. From this perspective the substitution of monotony for cruelty, the change in the location of care from the asylum to the community, the creation of opportunities for psychiatry and drug companies to trade in the anguish of the mentally distressed, the identification of people with a history of mental illness as a source of labour and the use of multiple media to anaesthetize public opinion by contrasting the evils of the past with the beneficence of the present reveal themselves as attempts to satisfy the evolving demands of capitalism (Grob 1990; Scull 1975; 1979; 2006). Here, medicalisation, with its claims about curing and caring in a humane environment, is seen as a tool used by the ruling class to affirm the moral validity of their system by diverting the attention of an oppressed proletariat away from the devastation being wrought on them (Scull 2006).

It is an understanding of well-being that has influenced the thinking of many disabled people. An important example of this is "Fundamental Principles of Disability" published in 1976 by the Union of the Physically Impaired Against Segregation (UPIAS). Here for the first time, a distinction was drawn between impairment and disability. In page 14 The UPIAS described impairment as a situation where someone is,

> *"Lacking part of or all of a limb, or having a defective limb, organism or mechanism of the body."*

On the same page, they went on to define disability as,

> *"The disadvantage or restriction of activity caused by contemporary organisation, which takes no or little account of people who have physical impairments and thus excludes them from the mainstream of social activities."*

Drawing this distinction between impairment and disability enabled disabled scholars such as Oliver, Barnes and Finkelstein to develop a social model of disability (Shakespeare and Watson 2002). A succinct description of its central premise is provided by Pinder (1995 p 608),

> *"Disability is a problem of society; difficulties result from the barriers erected by a disabling environment rather than from the defects and deficiencies of disabled people as individuals".*

Here, impairment is biological, and disability is social: the result of capitalism's failure to accommodate people with impairments (Coles 2001). Now, the focus of inquiry can be moved away from individual bodies as in the medical model, towards disabling barriers. Consequently, it is possible to argue the removal of these barriers will eliminate disability (Finkelstein 1980).

Although the social model of disability has provided disabled people with a banner to rally round, disabled intellectuals and their allies have been amongst its staunchest critics. Hughes and Patterson (1997) argue it fails to take into account the personal experience of impairment because it surrenders the body to medicine; Morris (1991) and Pinder (1995)

point out that because impairments can cause pain, which is itself limiting, the distinction between impairment and disability is not always as clear-cut as the advocates of the social model of disability suggest; and Shakespeare (1994) and Pinder (1995) accuse its creators of ignoring the role played by culture in oppressing people with impairments. Together these criticisms are effectively saying the social model of disability fails to take account of the complexity and diversity of disabled people's lives.

In the light of the above and the earlier observation that medicine has frequently failed to identify a biological cause for mental distress, it is easy to understand why most people with a history of mental illness do not believe they are disabled and why they reject the idea the social model of disability is relevant to them (Beresford 2002; 2010; Mulvany 2000). Later, we will see these views are, to some degree, mistaken. For now though, it is enough to say two things: policy makers at an international level have adopted the language used by UPIAS to draw a distinction between disability and impairment and used it in a way that allows them to continue to identify disability as a question of biology rather than social structures; and the UK government have used research, which has built on this development, to create a set of welfare to work policies that identify disability as a biological difference and the outcomes it produces as something that depends on attitudes towards that difference. But before we can discuss this further, it is necessary to address the influence on these policies of social action theorists.

2.4 Social action: symbolic interactionism and the relationship between mental illness and stigmatising labels.

Symbolic interactionism is an approach to mental distress that is more comfortable with issues of culture and identity than the social model of disability. It is a line of thought rooted in the work of Max Weber and the American pragmatists (Pascale 2011). Weber (1968) defined sociology as a science that uses social actions to arrive at a causal explanation of their cause and effects. He believed religion, ideas, status, and bureaucracy could influence these in ways that were distinct from economics or the physical world. It led him to argue knowledge is the product of cultural processes and that because of this there are multiple interpretations of reality, which can be both confrontational and subject

to change. The American pragmatists used this insight to argue that understanding reality is an ongoing process and that scientific laws should be seen as conceptual aids for understanding a phenomenon rather than as a definitive explanation of it (Baert, 2005). Here, accepted truths and expert status are reduced to credit notes: things whose value depends on their ability to resist challenges to their authority (James 2013). From this perspective, meaning and status are fluid concepts and consciousness is something shaped by the acts, gestures and symbols that constitute social interaction (Mead 1934). It is here the basic premise of symbolic interactionalism becomes apparent, which is that the individual and society are constituted through shared meanings and because of this their reactions to each other are dependent on these meanings (Pascale 2011).

From the above, it can be seen there are two categories of social action: complying with and deviating from social norms. For symbolic interactionalists, illness and disability are types of deviance (Friedson 1966). Furthermore, they see investigating deviance as something that can contribute to understanding how society functions (Friedson 1966). However, when they do this, they ignore any role played by inequality or poverty (Liazos 1972). Instead, they concentrate on the ability of deviance to decouple past identities from current ones; destroy hopes for the future and regulate the ability of people to adapt to these changes (Strauss and Corbin (1991). It is an approach that has led them to identify two types of deviance: primary, which is an act or an attribute before it is publicly labelled and secondary, which is their public identification and then use them to argue secondary deviance is more important than primary deviance because it can alter someone's self-regard and social identity (Lemert 1951; 1967).

Becker (1963) built on the idea that there is more than one type of deviance to divide society into four groups of people: those who publically conform to social norms; those who are falsely accused of deviating from them; those who secretly deviate from them and those who publically deviate from them. By doing so, he was able to argue society can only accurately label public conformists and deviants and that because of this a deviant is someone who is successfully labelled as such (Becker 1963). At around the same time, Goffman (1990) reflected on people's reactions to labels signalling deviance.

It led him to draw two conclusions: primary deviants are haunted by the possibility of rejection because even though they have managed successfully to disguise their identity from others, they cannot hide it from themselves and secondary deviants not only expect to be rejected (enacted stigma) they also feel such rejection is justified (felt stigma). Taken together, the work of Lemert, Becker and Goffman generated three insights: stereotypes are part of people's psychological makeup, whether they are defined by them or not (Scheff 1984; Link and Phelan 2013); labelling is a process used by society to regulate the interactions of its members, which can leave negatively labelled people vulnerable to unfair treatment (Hayward and Bright 1997; Scambler 2006; 2009); and secondary deviance is more important than primary deviance because it has a more significant influence on someone's self-regard, social identity, social status and psychic structure (Scheff 1984; Link and Phelan 2006; 2013).

An empirical study that demonstrates the power of secondary deviance is Robert Scott's 1969 book *'The Making of Blind Men'.* In it, he shows that once a medical practitioner has labelled someone as being biologically blind, powerful social institutions exert pressure on them to behave in ways associated with blindness such as acting docile and helpless. In other words, they are subjected to a process that renders them socially blind, which is a transformation that society can use to argue separating them from their sighted peers and limiting their opportunities is something that is done for their benefit rather than its convenience. By demonstrating the role played by diagnostic labels in socially defining the people to whom they are attached, Scott showed how problematic they could be. The relevance of Scott's work to mental illness is that it suggests diagnosing someone as mentally ill can provoke the behaviour associated with a diagnostic label. Consequently, the possibility emerges that the behaviour associated with mental illness is the result of a label rather than an undiscovered biological anomaly, which is essentially the argument used by Scheff (1984) when he presented his labelling theory of mental illness. Once more and from a different direction doubt is cast on the existence of mental illness.

The response of psychiatry and its allies to Scheff's work was splenetic. They attacked it for lacking scientific rigour (Gove 1970; Gove and Fain 1973); being based on loose definitions and selective interpretations of data (Gibbs 1972); and assuming that people discriminate against the mentally ill because of diagnostic labels rather than abnormal behaviour (Crocetti et al. 1974; Gove and Fain 1973; Huffine and Clausen 1979). He was accused of not given due weight to evidence showing symptoms precede diagnosis, the expert knowledge of the labellers, the systematic approach they took to applying labels or the way labelling and treatment led to an alleviation of suffering (Gove 1975). Psychiatry's defenders took the position that people diagnosed as mentally ill were rejected because of the anti-social symptoms of their illness rather than the labels attached to them (Gove 1975). Deviant behaviour generated deviant labels, not vice versa. For them, identifying and labelling deviance was beneficial rather than harmful because it could provide ill people and those close to them with a sense of direction and hope for the future. Scheff for his part likened his critics to pots calling a kettle black and referred them to longstanding criticisms of the medical model of mental distress and the powerful intellectual roots that underpinned labelling theory (Scheff 1984)[3].

Perhaps as a result of the ferocious criticism of labelling theory by psychiatry and its supporters, interest in Scheff's work was largely confined to sociology (Scheff 2010). It started to spread elsewhere after Link and his team published a paper introducing modified labelling theory. It accepted the existence of mental illness and rejected the idea that labelling could cause its symptoms. However, it still saw being labelled as mentally ill as being a negative experience. It argued that when a professional applies this label to someone, it confers membership of a disdained group and that with this change in identity they not only become vulnerable to social rejection they come to believe such rejection is justified. As a result, their confidence and self-esteem are undermined, the size and heterogeneity of their social networks are reduced, and their ability to engage in

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[3] It is hard not to be somewhat cynical about medicine's response to Scheff's work, especially when one recalls a study showing how psychiatry treated a cohort of students who faked the symptoms of mental illness to con their way into various US asylums. It demonstrated medicine, in some parts of the US, has been guilty of the same crimes it accused Scheff of committing. See Rosenhan (1973). 'On being sane in insane places'. Science 179, 4070, 250-258. http://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=2384&context=lawreview

economic activity is degraded. All of which creates a situation where the labelled person is more likely to become and remain ill (Link and Phelan 2006).

Modified labelling theory received a more positive response from some critics of Scheff's work. For example, Gove published work in 2004 that tried to integrate its insights with those of psychiatry. However, most remained hostile towards the idea that labelling caused the behaviour they associated with mental illnesses. The reason for this was their conflicting positions on stigma. For labelling theorists stigma is central: it sets into motion the application of cultural stereotypes and their related negative images both by society and the recipient of the label (Rosenfeld 1997). For supporters of medicine, the concept of stigma is dangerous because it can lead people to mistakenly frame a symptom of an illness as the product of social pressures and prevent them from seeking treatment (Crocetti, Spiro and Siassi 1974; Gove and Fain 1973; Huffine and Clausen 1979). As well as failing to win over entirely medicine's supporters, modified labelling theory's acceptance of the medical model opened it up to criticism from Link's fellow sociologists. They accused it of taking for granted that negative attributes resided in the person being labelled rather than the person doing the labelling (Fine and Asch 1988); paying too much attention to the processes of category formation and stereotyping and not enough to the consequences of discriminatory acts (Oliver 1990); ignoring the causal input from social structures such as relations of class, gender, ethnicity and disability (Scambler 2006; 2009). This last point is particularly important, for it suggests the ability of improvements in information, education, legislation and treatment to improve the employability of people who have been diagnosed as being mentally ill will be mediated by the influence of social structures.

2.5 Reframing recovery.

The medical, social action and social causation explanations of mental distress informed debates amongst people living in the community, who had been diagnosed as mentally ill, about its causes. Some accepted it was the result of a permanent or temporary biological anomaly; others argued it was the product of hostile social structures, and there were those who saw it as a consequence of being labelled mentally ill. Unsurprisingly, the

advocates of these positions took different positions on recovery: the first focused on a cure or managing symptoms, the second on societal change and the third on reclaiming a valued social identity. As a result, employment; compulsory treatment, hope, housing, medication, personal development, personal responsibility, relationships with professionals; types of therapy and social status joined biology as subjects of inquiry (Anthony 1993; Davidson 2003; Deegan 1996; Frese and Davis 1997; Mead and Copeland 2000; Ridgway 2000; Roe and Chopra 2003; Ramon et al. 2007; Shepherd at al 2008; Wallcraft et al. 2007). Consequently, recovery became a matter of perspective: it could be an individual or collective experience; a medical goal, a social process, or compound of any or all of these (Davidson& Roe 2007; Deegan 1998; Liberman and Kopelowicz 2005).

2.5.1 The response of policymakers in Scotland to the reframing of recovery.

The reaction of the Scottish policymakers to these developments can be seen by examining the documents they published in 2003, 2006, 2009 and 2012. In chronological order, these are, "The National Programme for Improving Mental Health and Well Being, "Delivering for Mental Health", "Towards a Mentally Flourishing Scotland: Policy and Action Plan", and the "Mental health Strategy for Scotland 2012-2015". All of them describe recovery as something that encompasses the social and clinical aspects of someone's life. However, none of them defines recovery, or what is necessary for it to take place. For these, we have to turn to the 'Scottish Recovery Network' (SRN), which was created by the Scottish government in 2004 as part of its "National Programme for Improving Mental Health and Wellbeing."

The importance of the medical model to the SRN is shown on page 11 of "Recovering Mental Health in Scotland" (Brown and Kandirikirira 2007), which states,

> *"Recovery usually follows an acceptance of illness."*

Predictably, given the content of the policy documents, this does not mean they believe recovery is the same as cure. On their web page "What is Recovery" the SRN (2007) state,

"Recovery is being able to live a meaningful and satisfying life, as defined by each person, in the presence or absence of symptoms. It is about having control over and input into your own life. Each individual's recovery, like his or her experience of the mental health problems or illness, is a unique and deeply personal process."

As for what this means, page 8 of "Recovering Mental Health in Scotland" (Brown and Kandirikirira 2007) state:

"Most commentators including Allott & Loganathan (2002) and Hatfield & Lefley (1993) agree that the definition and meaning of recovery will vary for individuals as it will be based on an individual's system of personal values developed through life experience. There is an emerging understanding around the basic factors and principles which promote it, suggesting that recovery is a unique process, vision, attitude or life journey (W A Anthony, 2000; Copeland et al., 1996; P E Deegan, 1988). It is about regaining self-esteem and hope for a productive present and future, and recognising that you can lead a fulfilling life (Leete, 1988, p. 52). It is about embracing the identity and self-determination of a healthy and hopeful person, rather than living the life of an ill person."

From the above references, it is evident the SRN is heavily influenced by American thinking about recovery. Here, it is about making appropriate choices: choosing to accept medical opinion; choosing to be realistic about identifying goals and choosing to change their values and attitudes when they obstruct their pursuit. It follows that the SRN holds the clinical expert responsible for the elimination or reduction of symptoms and the individual responsible for managing the problems associated with mental illness such as access to health care, poverty, poor housing and unemployment. Apparently, the SRN believes recovery involves recovery of a valued social identity as well as recovery from mental illness. In other words, it involves recovery in and recovery from mental illness (Davidson and Roe 2007).

The SRN has published work claiming its approach to recovery is a paradigm shift (McCormack 2007). In this paper, McCormack supports his claim by providing a list of negative attributes associated with people who have been diagnosed as mentally ill: homelessness, unreliability, drug addiction and periods of crisis and then reframing them positively. Instead of describing a client or patient without a roof over their head as homeless he describes them someone who has street survival skills, if they have a record of missing appointments they are portrayed as having a record of attending some, if they are an alcoholic they are depicted as someone who uses alcohol to cope but has periods of abstinence, or when they are prone to crises they are identified as someone who continues to exist despite the stress they live with. By describing the SRN approach to recovery as a paradigm shift, McCormack is overplaying his hand. Why becomes apparent by returning to the papers by Brown and Kandirikirira (2007) and the SRN (2007). There, illness is a precondition for recovery, which implies that the homelessness, drug addiction, unreliability and crises experienced by people with a history of mental illness are ultimately a result of biological deviance. In this light, it would have been perhaps more accurate for McCormack to claim that although the SRN approach to recovery fails to offer an alternative to the deficit model of mental distress, it enables people who have been diagnosed as mentally ill to be described more positively.

Another concern about the SRN's approach to recovery is its implicit rejection of the idea structural inequalities contribute to the onset of mental illness. In the papers published by the SRN between 2004 and 2015, there is almost no mention of social structures. Instead, they focus on relationships, peer support, personal responsibility and empowerment. It would be crass to deny these are vital to mental well-being, but in the absence of the context provided by social structure, the possibility arises that the social and the interpersonal will be conflated. If this happens, it creates the danger people will look at reality as being subjective, feel empowered when no empowerment exists and be willing to assume responsibility for situations that are beyond their control. Tackling stigma, for example, could be reduced to a question of changing attitudes by framing the glass as being half full as opposed to half empty (Angermeyer and Schomerous 2012), rather than by addressing the social structures that create those attitudes (Scambler 2006; 2009). It would appear that for the SRN, recovery requires people with a history of mental illness

to internalize a way of thinking that identifies positive exercises of agency rather than the forces exerted by social structures as the factors that shape life's outcomes, which is a trait Foucault (2008) has identified as a precondition for structuring society along the lines of a competitive market.

2.6 Preparing for recovery: redefining disability.

Earlier it was said that those people with a history of mental illness that saw the social model of disability as having no relevance for them were mistaken. The reason given for this was policymakers at an international level had adopted the language used by UPIAS to identify disability as something that is socially constructed to define it as something rooted in biological deviance and that the UK government had used work that had developed this theme to construct a set of welfare to work policies identified the outcomes of disability as something that is mediated by personal attitudes. This part of the discussion will now go into this in greater depth. In 1980 the World Health Organisation (WHO) published the International Classification of Impairment, Disability and Handicap (ICIDH) in 1980. On page 28 this document describes disability as,

> *"Any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being"*.

And on page 27, impairment is defined in the following terms,

> *"Any loss or abnormality of psychological, physiological, or anatomical structure or function"*.

From the above, it can be seen that the WHO has followed the UPIAS by identifying impairment and disability as two different things. However, unlike the UPIAS, the WHO identifies deviations from biological norms rather than the barriers erected by social structures as the root of disability (Bickenbach et al. 1990). In the UK policymakers amended this schematic before it was incorporated into UK law with the passing of the Disability Discrimination Act 1995 (DDA). What these amendments are can be seen by looking at section 1 of that Act, which defines a disabled person as someone with,

a) *A physical or mental impairment, which has,*

b) *A substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.*

Here, the terms psychological, physiological or anatomical have been replaced by physical and mental, and a temporal component has been introduced to the definition of disability. Furthermore, the only guidance given by the DDA for defining the word impairment is in schedules one and two, where it says that it should have its normal meaning unless it is a mental one, in which case it must be caused by a clinically recognised illness. While the DDA has been superseded by the Equality Act 2010, the above definition is still relevant because it was incorporated in its entirety into section 6 of the 2010 Act.

At a superficial level, this could be seen as a partial victory for advocates of the social model of disability. However, believing this would be a mistake. Policymakers at an international and national level have identified normality as the ability to engage in existing social roles. By doing so, they are denying that social structures are disabling. In other words, participation by disabled people in day to day activities may require the provision of the support necessary to offset the limitations imposed by their impairments.

2.7 Redefining recovery: paid employment as evidence of recovery in and recovery from mental illness.

Since its creation in 1980, the failure ICIDH to acknowledge the role played by social structures has led to the discrediting of the ICIDH (Imrie 2004). The WHO sought to address this development in 2001 by publishing the International Classification of Functioning, Disability and Health (ICF). Pg 213 defines impairment as,

> "*The loss or abnormality of body structure or physiological function (Including mental functions).*"

On the same page, disability is not defined in terms of aetiology but limitations on activities, and participation restrictions.

Activities are,

> "*The execution of a task or action by an individual.*"

Limitations on activity resulting from impairments are,

> "*Difficulties an individual may have in executing activities...in a manner or to the extent that is expected of people without the health condition.*"

While participation is,

> "*A person's involvement in a life situation."*

And restrictions are defined as,

> "*Problems an individual may experience in involvement in life situations",* where, "*The presence of a participation restriction is determined by comparing an individual's participation to that which is expected of an individual without disability in that culture or society.*"

The ICF represents the adoption by policymakers at an international level of the biopsychosocial model of health and disability (Imrie 2004). In other words not only can impairments be disabling so can reactions to them. Like the model of recovery adopted in Scotland, the ICF does not deal with social structures but inter-personal relationships. When Engel (1977; 1980) created this model, he aimed to protect the hegemony of medicine over sickness and disability as he reconciled it with psychological and social understandings of those phenomena. He did this by allocating each of them a sphere of influence, where medical problems took precedence over psychological ones, and

psychological problems took precedence over social ones (Armstrong 1997). However, Engel looked upon well-being as a complex phenomenon (Engel 1977; 1980). Because the WHO does not have an executive function it did not have to consider the implications of seeing the world as being different from the sum of its parts when it created the ICF. Complexity means that using the ICF to create policy is problematic for national legislatures because it renders its outcomes uncertain. Waddell and Aylward (2006) solved this problem by identifying the results of interactions between the biological, psychological and social worlds as complicated, in other words well being is the sum of its biological, psychological and social components.

By removing uncertainty from the biopsychosocial model, Waddell and Burton (2006a, b) were able to argue the role of medicine should be to identify the type of work disabled people can perform; the responsibility of the state should be to implement policies that will support them to overcome the physical, psychological and social barriers that prevent them from using agency to secure paid employment from the competitive labour market; and the duty of people with a history of mental illness should be to embrace this support, use it to identify realistic employment opportunities and then pursue them in an enthusiastic manner. The UK government accepted this argument. By linking it to the dominant version of recovery they could use research showing most people in receipt of disability benefits because of their mental health wanted to be in paid employment (Boardman 2003; Boardman et al 2003; Bond 2004; Dunn Grasso and Saunders 2014; Rinaldi et al. 2008) and studies claiming they could realise this ambition when they are provided with appropriate support (Drake et al. 1996; Becker and Drake 2003; Bond 2004) to argue paid employment obtained from the competitive Labour market is evidence of recovery from and recovery in mental illness (HM Government 2009).

2.8 Facilitating recovery: introducing the UK government's welfare to work policies

The UK government is pursuing its vision of recovery by adopting and adapting the changes to the benefits system made by the last Labour government[4]. Despite concerns

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[4]. The changes to the benefits system and their effect on the supply of labour will be discussed in chapter three.

raised by research using agency theory in Australia and the Netherlands about such an approach (Considine et al. 2014; Rees et al. 2014; Struyven and Steurs 2005), it is doing this by expanding the role of private sector firms. They are now being used to determine the nature of people's impairments, the limitations they impose, eligibility for benefits and how to introduce them to the labour market to private and third sector contractors and assuming employers use human resource professionals and their beliefs about what constitutes recruitment best practice to hire staff (Keep and James 2010).

2.8.1 The Work Capability Assessment.

As a result of a rolling programme of 'Work Capability Assessments' (WCA) most, people who have received these benefits have now been moved on to 'Support Group' (SG) or 'Work Related Activity Group' (WRAG) 'Employment Support Allowance' (ESA) or 'Job Seekers Allowance' (JSA). People receiving SG ESA are to be supported to look for paid employment if this is something they want to do; people being provided with WRAG ESA will be compelled to do so after they have been provided with support to help offset the effect of their impairment; while those on JSA are expected to look for work immediately.

The WCA allocates three distinct roles to medicine, the individual and the state along the lines outlined by Waddell and Aylward (2006) and Waddell and Burton (2006a, b). The role of medicine is to identify what individuals with a history of severe and enduring mental illnesses can and can't do; the role of the individual is to adopt a positive attitude about looking for work congruent with these assessments; and the role of the government is to develop policies that address the barriers that prevent people with impairments from selling what they can do in the labour market such as stigmatising beliefs; unfair discrimination; rigid workplace structures and practices; a lack of job searching skills and the additional costs associated with chronic and enduring conditions. What follows is a resume of the policies that have been introduced to enable these roles to be fulfilled.

2.8.2 Equal opportunities legislation.

In 2010, in the course of making EU equal treatment directives part of UK law, the Disability Discrimination Act along with the Equal Pay Act 1970, the Sex Discrimination

Act 1975, and the Race Relations Act 1976 were repealed and replaced by the Equality Act 2010. As far as employment is concerned, this Act treats public and private sector employers differently: it imposes a general equalities duty on public sector employers that only applies to private sector ones when they are doing work for the public sector. Furthermore, none of the obligations it imposes on the recruitment practices of private sector employers, with respect to disabled people, is strict liability.

As was said earlier, section six of the Equality Act 2010 uses the same definitions of impairment and disability as section 1 of the DDA. Section 4 identifies people with disabilities as a protected group and schedules 1 and 6 define people who suffer from severe and enduring mental illnesses as being disabled. Section 13 imposes a statutory duty on employers not to directly discriminate against disabled people in their recruitment and employment practices. While section 60 allows an employer to ask questions about a job applicant's health only for the following purposes: to determine if they can do the job on offer; monitor diversity, facilitate positive action or if the job requires a disabled person to determine if the candidate has the disability required. However, X v EC Commission (1995) indicates that if an employee asks a disabled job candidate to undergo a medical and they refuse the request, then the employer does not need to consider them for employment.

Section 20 and Schedule 8 of the Act imposes a duty on an employer to make reasonable adjustments to the workplace to accommodate prospective and actual employees if the conduct of the business, its structures, or the absence of auxiliary aids puts a disabled person at a disadvantage in relation to people that are not disabled. The use of the word reasonable tells us that irrespective of any awareness of a person's disability, the duty to make adjustments to the workplace to accommodate disabled people is conditional. Something that is also the case with the duty imposed on them by the Act not to discriminate. Sections 15 and 19 allow employers to discriminate directly and indirectly against a disabled person when the discriminatory act is a proportionate means to of achieving a legitimate aim. It is not clear why proportionate and reasonable are being differentiated here. Edwards v National Coal Board (1949) indicates reasonable means asking the following questions: is there a goal, is the action necessary to achieve it, can it

achieve it, is it the least onerous way of doing so and does it balance the pursuit of the goal with competing interests, which is how the European directives on which the Equality Act is based define the term proportionate (Craig and de Burca 2011).

An idea of what is meant by reasonable and proportionate in practice is again provided by case law. In Familoe v Lane group plc (2004)**,** a case under the Health and Safety Act 1974, it was found that compliance with equalities legislation is subordinate to compliance with other legislation when that legislation imposes an absolute duty. As well as having to take competing statutory duties into account, an employer can also refer to their operational needs (Chief Constable of Lincolnshire Police v Weaver 2008), the nature of the business, its size and the financial implications of taking on a disabled person (O'Hanlon v Commissioners for HM Revenue and Customs 2007). The code of practice that accompanies this legislation also shows cost to be a primary arbiter of reasonableness because it states the Equality Act places different demands on businesses of different sizes (EHCR 2011). It follows that it is likely that the number of employment opportunities available to people with impairments of any type will be considerably smaller than they are for non-disabled people and those that do exist will tend to be in larger organisations.

Responsibility for policing private sector employers' compliance with their duties under the Act falls on the shoulders of disabled people. What is involved in doing this is captured in Rugamer v Sony Music Entertainments UK Ltd (2002); College of Ripon and York St John V Hobbs (2002) and Walker v Sita Information Networking Computing Ltd (1997). The decisions made in these cases means the law requires a person claiming unfair discrimination on the grounds of disability to pass two tests to obtain the Act's protection. They have to show they have a physical or mental impairment and then prove it is disabling, although they do not have to explain why it exists. Consequently, if a disabled person wants to call an employer to account for unfair discrimination, they must first be willing to become the object of a public investigation. Once this has been done, and they have established a prima facie case then the employer must prove they did not behave in such a manner. However, even if this doesn't happen, they can still use two defences to avoid sanction. The first exists when their business is located in a building

owned by someone else, and they have not been permitted by the owner to make any alterations. The second becomes available when they did not know or could not reasonably be expected to know that the person taking legal action against them had a disability.

The latter defence is especially relevant to mental illnesses. To understand why one needs only to reflect on the nature of these conditions. Their presence tends to be signalled by deviations from social rather than physical norms. Furthermore, these deviations often occur intermittently over an extended period, which means each time they happen might be the last one. So even when one sets aside the influence of stigma, this suggests many people who have been diagnosed as mentally ill will be uncertain about whether they should reveal their health history to a prospective employer. As a result, it becomes reasonable to believe employers will be able to rely on this defence when facing a claim for unfair discrimination from someone who has been diagnosed as mentally ill more often than they would when confronted by a similar claim from someone with a physical impairment.

From the above, it can be seen that while the Equality Act 2010 makes use of the social model of disability's parsing of disability and impairment, it is clear its authors do not accept the beliefs underpinning that model. It will be recalled this conceptualises disability as a form of oppression: the consequence of society structuring itself in a way that precludes the equal participation in it of people whose bodies and minds don't conform to a normative ideal (Finkelstein 1980). It is implicit in this that addressing disability requires proactive, anticipatory action, societal change and the conferring of unconditional rights that can be effectively policed and enforced (Oliver and Barnes 2012). The long-standing alignment between the medical model of disability and capitalism contradicts this by presuming it is the individual impaired body or mind that is the disabling factor. The Equality Act explicitly shares this presumption. Consequently, it addresses disability in a way that requires employers to react and adjust to it on a case by case basis and disabled people to police these reactions and adjustments in a way that emphasises qualified duties, reasonableness and proportionality.

2.8.3 Anti-stigma campaigns.

A compliment to the Equality Act 2010 is the anti-stigma campaign 'See Me'[5], which has been running in Scotland for the best part of a decade. Like all social marketing campaigns, it assumes attitudes and behaviour can be changed by increasing the public's awareness and knowledge of a topic (National Audit Office 2011; Kotler and Zaltman 1971). Its progress has been reviewed twice. The first one found the management of the campaign to be dominated by public and voluntary organisations (Myers et al. in 2009) and the second found there to be little private sector involvement in its development (Pilgrim and Corry 2013).

Concerning employment, these reviews showed 'See Me' to have focused on workplace relations. Doing this is important, but the reviews indicated it had been done in a way that treats the shop floor as a generic social arena. Consequently, it has not taken into account the diversity of private sector workplaces. The literature on social marketing campaigns indicates success requires the targeting of specific sectors and using language that means something to the people residing in them (Kotler and Zaltman 1971; Dolan et al. 2010). It follows that there must be concern that the lack of private sector involvement in the 'See Me' campaign might mean many employers will either be ignorant of it or view it as irrelevant.

2.8.4 Vocational support.

At the time this study was carried out, the UK government was funding three vocational support programmes: the 'Work Programme', 'Work Choice' and 'Access to Work'. Except for 'Access to Work', all of these programmes are implemented by private contractors on a contractual basis where payment is made by results.

Participation in the 'Work Programme' is compulsory for claimants in the ESA WRAG who are seen as being almost fit for employment and those on JSA who have previously received disability benefits. Failure to participate in the programme leaves a benefit claimant subject to sanctions, which can deny them access to some benefits for up to

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[5] Strictly speaking 'See Me' is a Scottish government initiative however similar campaigns have been undertaken in England, Wales and Northern Ireland in the form of 'Time to Change' and 'Change your Mind'. All of these campaigns are ultimately funded by the UK government and by emphasising employment they all dovetail with its welfare to work policies.

three years. Getting individual ESA claimants into work is more lucrative than doing so with JSA claimants. In both cases payments are drawn down in three stages: when they engage with unemployed, when an unemployed person gets a job and at various points during their employment (Thurston 2013).

'Work Choice' was introduced at the end of 2010 to replace the old 'Workstep' and 'Work Preparation' programmes. Unlike in the 'Work Programme', participation by disabled people is voluntary. The focus here is on those individuals in the ESA SG who want to obtain paid employment and similarly minded people from the ESA WRAG who have been assessed as being furthest away from the labour market. It has a fixed budget and is only open to severely disabled people who need specialised help that cannot be provided by other welfare to work programmes. Payments are made on a 70% engagement and 30% outcome basis from a fixed budget, and they are again higher when the disabled person is deemed to face greater barriers to obtaining employment (Purvis et al. 2014).

'Access to Work' is an initiative is run by the Department of Work and Pensions. Its purpose is to provide disabled people with the financial assistance necessary to pay for any additional costs they incur as a result of having an impairment and being in paid employment, such as those arising out of the purchase of specialised equipment, transport to work and the services of support workers. Like 'Work Choice', this programme has a fixed annual budget.

The latter two programmes identify disabled peoples' impairments as things that impose costs on them, which act as barriers to the market. They presume that, in the context of their companion policies, offsetting these costs will mean the market will be able to value their labour independently of their impairments. It could be argued that the structure of these programmes unfairly discriminates against people who are disabled by mental illness. To understand this, one only needs to reflect on the fact they have set budgets and the difference between physical and mental impairments. If a ramp is installed to provide access to a building for a person who uses a wheelchair, or an inductive loop is installed

to support people with hearing difficulties those facilities will improve access for everyone with similar impairments. The cost is a one-off and the benefits general. However, this is not the case with many mental health conditions, Schizophrenia, for example, can manifest itself in different ways at different times (Wehring and Carpenter2011), which means the benefits of any adjustments made to accommodate this condition will often be subjective and the costs cumulative.

2.9 Conclusion.

The discipline of psychiatry is a product of changes that took place as a result of the Enlightenment and the Industrial Revolution. Its initial presumption that mental distress is caused by a lesion and that treatment of this lesion requires compulsory confinement in asylums has been subject to constant criticism from a variety of directions including psychology, psychoanalysis, sociology and from within psychiatry for over two hundred years. Medicine's response to these criticisms has led to an increase in the number of people diagnosed as mentally ill and a change in the locus and provision of their care. Instead of it being provided by psychiatrists in asylums it is now mainly provided by general practitioners in community settings.

Frequently, this care involves providing people with a history of mental illness with disability benefits in lieu of their exclusion from the Labour market. The level of these benefits has meant many of them have found themselves living in communities with limited access to good quality education, housing and healthcare. The effect of this on their quality of life led many of them to reflect on their lives by drawing on thinking influenced by medicine; Marxism and symbolic interactionalism.

These epistemes enabled people disabled by mental illness to develop a variety of positions on mental distress, mental illness and recovery. They concluded it could be an individual or collective experience; a medical goal, a social process, or compound of any or all of these. At a Scottish level, policymakers reacted to this development by identifying recovery as an individual journey: something that involved making appropriate choices: choosing to accept the reality of mental illness; choosing to live the life of a healthy person, choosing to identify realistic goals and choosing to pursue them

enthusiastically. In short, recovery involved a cure or mitigation of symptoms and a change in outlook if their attitude prevented them from regaining a valued social identity.

Policymakers at an international and UK level also used work based on these epistemes to reframe disability. Both the WHO and the UK government identified it as a biopsychosocial phenomenon rooted in an individual deviance from biological norms. However, they disagreed about the nature of that phenomenon. While the WHO saw it as being a complex one the UK government decided to identified it as being a complicated matter. Treating disability as the sum of its parts enabled the UK government to use studies claiming that paid employment from the competitive labour market was good for mental health and that it was a realistic possibility for people disabled by their mental health as long as they were provided with appropriate support to argue paid employment is evidence of recovery in and recovery from mental illness. To pursue this vision of recovery it introduced a tranche of welfare to work policies that involved identifying the limitations imposed on people by their impairments; making changes to the benefit system that presumed most disabled people could work for a living if they were given appropriate support and funding a support programme that consisted of the passing of anti-discrimination legislation and the funding of anti-stigma campaigns and vocational support programmes.

From the above, it is clear the UK government's welfare to work policies are based on a belief that disabled people are denied access to the Labour market because of the additional costs generated by impairments and the unfair treatment catalysed by stigmatising attitudes. It is a belief that presumes once these costs are offset, and these attitudes are changed the competitive Labour market will value the labour of disabled people the same way as it does that provided by their non-disabled peers. The OECD (2014) has criticised this approach, with its emphasis on agency, for assuming that an employee-employer relationship is merely an exchange between individuals of labour for money, which is independent of social structures. In the light of evidence that people with a history of mental illness make up almost half of those on disability benefits (Institute of Fiscal Studies 2014), it is a criticism that makes it necessary to investigate the effect of the UK governments welfare to work policies on the demand from employers in Scotland

for labour from jobless people with a history of mental illness? But before investigating this question, it is necessary to critically examine the model of economic thinking that leads the UK government to believes its policies will be a success and what this means for the framing of the research question. It is this that will form the content of the next chapter.

Chapter Three:

Welfare, theories of the labour market and welfare to work policies.

3.1 Introduction.

The previous chapter showed UK welfare policy is moving away from supporting jobless people disabled by mental illness live their lives towards facilitating the sale of their labour. A development that has been described by Jessop (1994; 2002) as a move from a 'Keynesian Welfare State' to a 'Schumpeterian Workfare State'. Consequently, successive current UK government has implemented a tranche of welfare to work policies that involve passing of laws, the introduction of employment-focused services and the granting of market-related rights. In this chapter different understandings of the labour market will be drawn on to critically explore why the UK government at the time of writing believes its welfare to work policies will enable this group of people to find work.

To set the scene, it will open with a brief history of how neoclassical economics came to dominate academia and policymaking. What will be touched on here is the fragmentation of political economy into economics and sociology, the splintering of economics into neoclassicism, the old institutionalism and Keynesianism, the emergence of the welfare state and the events that eventually led to its raison d'être moving away from providing the jobless with resources towards increasing the supply of labour to the market. Next, neoclassical theory will be looked at in more detail. What will be addressed here is the construction of the theoretical ideal of the perfectly competitive market, how it has influenced the thinking of most neoclassical economists about the role of policy and the unemployed and the relationship between its natural rate of unemployment hypothesis and the UK Government's welfare to work policies.

Then the focus of the discussion will move to neoclassicism's economic antipode: the old institutional economics. Here it will be shown that this heterodox school of thought views the economy as a complex dynamic laminated social arena, which emerges out of the continual interplay between agency and structure. In the course of doing so, the identification by the old institutional economics of culture, habit, identity, money, power,

social location, and aggregate demand as pivotal influences on employability will be looked at as will their implications for the efficacy of the UK government's welfare to work policies.

Next, two schools of economic thought will be looked at that emerged in the seventies, which are heavily influenced by the neoclassical and old institutional traditions: the new institutional economics and stratification economics. This will show the new institutional economics has adapted neoclassical theory to develop an explanation for the existence of institutions that challenges the one offered by sociology, while stratification economics, uses the heterodox approach to economic analysis taken by the old institutional economics, to identify competition between groups as an influence on the structure of the labour market and the outcomes it produces. Then it will reflect on how sociology reacted to incursions by economics onto territory it has traditionally thought of as its own; specifically the emergence of the new economic sociology, its argument economic activity and the institutions that regulate it are shaped and shaped by social relationships and how Zelizer has built on this premise to develop her heterodox connected worlds and circuits of commerce approach to economic analysis.

The chapter will then start to draw to a finish by looking at how the debates about the labour market within economics and between economics and sociology have influenced the literature on improving the employability of people with a history of mental illness. Finally, it will close by considering what the discussion in this chapter suggests will be the approach to the research question that will add most to the literature?

3.2 The emergence of neoclassical economics as the dominant influence over UK economic policy.

As a result of the marginalist revolution in the second half of the nineteenth century, political economy split into the disciplines of economics and sociology and economics (Milonakis and Fine 2009). Later, economics polarised around two camps, which can be broadly described as neoclassical and old institutional economics (Milonakis and Fine 2009). Initially, the old institutional economics dominated policymaking (Rutherford

2001). However, this supremacy ended with the publication by Keynes in 1936 of the 'General Theory of Employment Interest and Money'. His book divided economics into macro and micro components, which led some people to look at them as being related but ontologically distinct (Hoover 2009; Quiggan 2010). With the ascendancy of Keynesianism, managing aggregate demand became the preferred approach to economic policy, one that prepared the ground for the emergence of the welfare state (Rutherford 2001; Bambra 2009).

Welfare states, such as the UK's, came into being after World War 2 (Jessop 1999). They emerged in countries whose economies were characterised by continual growth, fixed exchange rates, mass production, relatively closed markets, organised labour, low unemployment, standardised inflexible methods of organisation and the ready availability of economies of scale (Jessop 1994). In academia, the Keynesian argument that inflation is caused by an excess of demand over supply and unemployment by an excess of supply over demand was formalised by the New Zealand economist A. W. Philips. Using UK government statistics, he derived the curve that takes his name. Many economists and policymakers interpreted Phillips' work as formal proof of a stable relationship between inflation and unemployment (Quiggan 2010). This formalisation reinforced the then orthodoxy of managing the economy by increasing taxes and running budget surpluses when demand exceeded supply and vice versa (Quiggan 2010). As an approach to economic management, it appeared to guarantee full employment and stable inflation, or something close to them, for the best part of thirty years. The growth that was linked to the economies of welfare states justified their governments taking on increasing levels of responsibility for providing, policing, and regulating housing, health and open-ended jobless benefit services (Jessop 1994; Bambra 1999). Depending on your point of view, welfare states ensured every citizen enjoyed the fruits of economic growth (Torfing 1999); used state power to ensure labour could be bought and sold without generating events that threatened the economic status quo (O'Conner 1973; Jessop 1994) or acted as a constraint on personal freedom (Hayek 2011).

The first signs of instability in the economies of welfare states emerged in the mid-sixties. Increasingly, they were experiencing inflation and unemployment rates higher than those predicted by their 'Philips Curves' (Eatwell and Milgate 2011). Keynesian economists responded to this development by arguing the monopoly power of big business and trade unions was resulting in 'cost push' as opposed to 'demand pull' inflation (Quiggan 2010). Consequently, their governments did not respond by deflating the economy but by directly intervening in the setting of wages and prices by imposing price and wage freezes and negotiating incomes policies with business and unions (Quiggan 2010). However, this approach failed, and inflation and unemployment continued to grow (Eatwell and Milgate 2011). In the early seventies, two more developments further destabilised the welfare states: the end of fixed exchange rates and the slump caused by the oil price shock of the early seventies (Hemerijck 2013). Now when countries tried to reflate their economies by increasing public spending, they were hit with balance of payments crises, which demanded cuts rather than increases in public spending (Eatwell and Milgate 2011; Quiggan 2010). As a result, governments, including the UK's, found themselves struggling unsuccessfully with problems of rising inflation, growing unemployment and currency instability (Quiggan 2010).

The creation of new problems by the use of tried and trusted solutions to old ones brought an end to thirty years of growing production and consumption (Jessop 2010). Eventually, policymakers came to realise the pursuit of economies of scale by large companies had globalised production and the end of fixed exchange rates and new technologies was moving control of the global trading system out of the hands of nation-states into those of the financial markets (Jessop 1994; Quiggan 2010). Consequently, questions were raised about the welfare state's scale, scope and purpose (Jessop 2010). These eventually led western governments to embrace neoclassicism (Jessop 1994; Rutherford 2001), a move that heralded what Jessop (1994; 2002) has called the transformation of the 'Keynesian Welfare State' into a 'Schumpeterian Workfare State'.

3.3 Neoclassical understandings of the labour market.

The timing of the welfare states' difficulties was fortuitous for neoclassicism. Just as Keynesianism had replaced the old institutional economics as the dominant influence on policy, neoclassicism had done likewise in academia (Rutherford 2001; Hodgson 2009). By the late sixties neoclassical economics, as a result of work by, amongst others, Arrow and Debrue (1954) on market equilibrium, Samuelson (1965) and Fama (1970) on market efficiency, and Friedman (1968) and Phelps (1968) on inflation and unemployment, had developed a model of the economy that could challenge Keynesian orthodoxy. It explained the economic malaise that was enveloping the welfare states in terms that were compatible with the idea the outcomes produced by a market regulated by price competition are the sum of its micro component parts and that the point at which it reaches equilibrium between supply and demand represents the most efficient possible distribution of resources that an economy can aspire to (Boyer and Smith 2001).

The foundations of the neoclassical model of the economy are work by 19th-century economists such as Jevons, Menger, Pareto and Walrus (Ekelund and Hebert 2002). Their endeavours were, in part, a response to concerns the labour theory of value used by Karl Marx and Adam Smith was failing to explain the prices of goods and services while generating findings about profits, rents and wages that were destabilising societies (Stigler 1972, Clarke 1982). From their efforts and that of their followers emerged the theoretical concept of the perfectly competitive market (McNulty 1967). This market was constructed using the following axioms: all resources, including labour from disabled people, are scarce, unevenly distributed and homogeneous; there are sufficient traders in the market to prevent any one of them from influencing market outcomes, and all of them have the freedom to enter and exit the market at will; know everything that is going on in it; and always act, subject to the constraints of price and income, as rational utility optimising agents with given and stable sets of preferences (Ehrenberg and Smith (2012).

The neoclassical market is a static, marginalist, utilitarian and reductive ideal where outputs are the product of inputs, supply and demand always tend to towards equilibrium and fairness is never a consideration (Ehrenburg and Smith 2012). It is amenable to

mathematical modelling (Ehrenburg and Smith 2012), and it replaces "the individual economic agent as a sociological or historical datum" with "the utility-maximising individual" (Stigler 1969: p 225). Here trade in every type of good and service is conducted by barter in a single supply-constrained market, which never makes anyone better off at someone else's expense, by people who only learn new ways of doing things when they calculate doing so will enable them to satisfy their existing desires at a lower cost (Ehrenburg and Smith 2012). It is an economic model that has led most neoclassical economists to argue state activity should be confined to ensuring resources are distributed through price competition, guaranteeing property rights and adjudicating on externalities such as who should pay for the effects of pollution (Ha 2014). For the rest of this thesis, it is their work that will be referred to when the terms neoclassical economics or neoclassicists are used.

Neoclassicists presume people are hedonists who find work unpleasant (Ehrenburg and Smith 2012; Keen 2011). In other words, work is a means to an end rather than something with any intrinsic value. People work because the hardship (disutility) involved is outweighed by the pleasure (utility) gained from using the wealth it generates to enjoy their leisure time (Ha 2014). In other words, the supply of labour is deemed to be determined by a Benthamite work/ leisure trade-off, a perspective that encourages thinking along the lines of strivers versus skivers. The importance of this viewpoint for the creation and implementation of welfare to work policies is it implies people will choose to remain on benefits when they support a comfortable quality of life. It follows that such benefits waste resources and that cutting them and making them more difficult to obtain will incentivise the jobless to look for work. But will they find it? Before going on to discuss why neoclassical economists think they will, it is worthwhile looking at the criticisms that have been made of neoclassicism and how they have been rebuffed.

Critics argue the assumptions underpinning neoclassical theory bear no relationship to a reality where unemployment always exists, information is generated in amounts beyond the ability of any individual or group of individuals to absorb, the unexpected often happens, employees are hired on long-term contracts after recommendations from friends, wages are fixed and paid in money rather than in kind, and markets are

dominated by large companies who continually try to balance the continually changing interests of powerful internal groups such as owners, managers and workers with the demands of the market (Keen 2011; Kaufman 2010).

Neoclassicists agree with their critics that the purpose of theory is to strip away complexity and reveal fundamental tendencies (Friedman 1953). However, they do not accept models should be judged by the realism of the assumptions used to construct them. Instead, they believe the determinant of their quality should be the accuracy of the predictions they generate (Friedman 1953). In other words, if a theory predicts behavioural tendencies and empirical data supports the existence of these tendencies then that theory is valuable even when its assumptions are unrealistic. In making this argument, Friedman was acknowledging that predictions made by neoclassical theorists should be reconcilable with empirical evidence while ignoring the problems that could be created by different theories based on unrealistic assumptions reaching the same conclusions.

Neoclassical economists treat firms as individual price takers who act to maximise their profits (Ehrenberg and Smith 2012). They are not concerned with their history, internal structures, politics, power struggles or culture unless they can see a way to reduce then to price competition between utility maximising individuals (Davies and Lee Lam 2001). For them, their sole role is to transform inputs into outputs (Ehrenberg and Smith 2012). When they see a firm spurning opportunities to make profits, they presume there must be unseen costs (Becker 1976). It is a perspective that leads them to identify a firm's demand for labour as being derived from the demand for its goods and services (Ehrenberg and Smith 2012). All things being equal, a firm will have a demand for labour as long as the marginal revenue product of labour (MRPL) is greater than its marginal cost (MC) (Ehrenberg and Smith). What the MRPL represents is the increase in revenue a firm enjoys by employing one more unit of labour, which is something that is subject to the law of diminishing returns, while the MC of labour can be understood as the additional cost of purchasing that unit of labour (Ehrenburg and Smith 2012).

Neoclassicism reconciles the reality of a money economy with their theoretical barter one by arguing that in the long term the money supply only affects nominal prices, not real

ones. In other words, money is a facilitator of exchange rather than a store of value, a statement of account, an indicator of social status or a source of power. Freidman (1969) captured the thinking here with the analogy of a helicopter drop. He described an economy with a fixed amount of money circulating in it. He then asked himself, what would happen if someone in a helicopter dropped enough money into it to double this supply and people thought this was a one-off event? He answered that initially, people would bid up the nominal value of goods and services but because the new money did not alter the productive capacity of the economy or the tastes of market actors the economy would eventually reach equilibrium with the same flow of real goods and services as before.

Theoretically, perfect knowledge eliminates uncertainty. However, real subjective cognitive limitations mean people are ignorant to various degrees (Simon 1997). If reality is objective, ignorance means uncertainty. Consequently, economic traders cannot act rationally or maximise their utility. As a result, the market is unable to distribute resources efficiently (Simon 1997). Neoclassicists address this problem by adopting Bayesian probability. Here decisions are based on individual beliefs about an event happening rather than the actual odds of it occurring (Savage 1972). Identifying reality as a subjective concept removes ignorance as an influence on decision making, which makes it possible once more to argue people are rational, act to maximise their utility and market outcomes are economically efficient (Savage 1972).

Important work by neoclassical economists looking at employment issues in the real world that have generated new insights or taken economics into territory historically occupied by other disciplines, such sociology, includes that by George Stigler (1962) on the role of information in searching for work in a world with large numbers and types of employer, Gary Becker (1971; 1991; 1993) on the effects of racial discrimination, the family, and education on labour market activity, and Lazear and Gibbs (2009) on the influence of norms, teamwork, worker empowerment, and peer relationships on relationships between employers and workers. A common thread in many of these often mathematically advanced studies is that factors exogenous to the market: politics, social structures, out of work benefits, trades unions and new technologies can result in changes

to the market's equilibrium point and the market reaching equilibrium with people still out of work. The coexistence of market equilibrium and unemployment will be discussed in the next section, which looks at what neoclassical economists call the natural rate of unemployment.

3.4 The natural rate of unemployment.

In 1968 the idea of the natural rate of unemployment[6] (NRU) was developed independently by Milton Friedman and Edmund Phelps. Both argued policymakers are mistaken in accepting Phillips' identification of long-term inflationary pressures as the result of changes in nominal wages. According to them, the real causes of such pressures are increases in real wages caused by external institutional forces such as employment protection legislation, trades unions, professional guilds, and out of work benefits (Friedman 1968; Phelps 1968).

To understand their thinking, consider a workforce that fails to recognise an increase in the general rate of inflation. In such circumstances, both Phelps and Freidman accepted a wage increase would be interpreted as a rise in their standard of living. They also conceded the workforce's demand for and the prices of goods and services would increase and that this will in turn increase businesses demand. However, they argued workers expectations about inflation will eventually catch up with reality and that when this happens, the workforce's demand for goods, services and labour will fall to pre-wage rise levels. Furthermore, workers will factor in the rise in inflation caused by the initial wage rise into their future pay expectations. In other words, using monetary policy to increase demand in the long term will lead to an increase in inflation and the return of unemployment to the rate that is natural for that society's institutional framework. It follows from the arguments of Friedman and Phelps that the role of monetary policy should be to stabilise the economy around the NRU by controlling inflation. It can be seen by reflecting on their arguments that what Friedman and Phelps are saying is short-

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[6] Amongst some neoclassical economists there was some unhappiness with this term, which was coined by Friedman. In his work, Phelps referred to the equilibrium level of unemployment. Later Estrella and Mishkin (1998) argued policymakers are interested in the short term and that the NRU varies more here than it does in the long term. Consequently, they recommended using the less controversial more scientific sounding 'Non Accelerating Rate of Inflation' (NAIRU). Their recommendation will not be followed in this thesis because using NRU does not undermine the arguments it makes

term changes to labour market equilibrium can be made by monetary policy if economic actors fail to anticipate prices correctly, but permanent changes will require addressing the influence of institutions exogenous to the market on the outcomes it produces.

Over time a large body of work looking at variations in the NRU has emerged, which broadly speaking, can be seen as having two foci. The first, such as work by Nickell, Nunziata and Ochel (2005), examines changes to labour market imperfections. The second looks at how economic shocks affect the distribution of unemployment, an example of this being work by Blanchard on hysteresis (2006), which suggests that after an economic shock unemployed workers find it difficult to find work because those in work can resist wage cuts. However, the different foci do not change the thinking underpinning the idea of a NRU, which is unemployment is best addressed by incentivising suppliers of labour to compete for work on the basis of price (Layard and Nickell 2003; Blanchard, Jaumotte and Loungani 2013).

3.5 The natural rate of unemployment and welfare to work.

In the aftermath of fixed exchange rates ending and the oil shock of the seventies, the thinking of Friedman and Phelps about economies having a NRU became highly influential in policy circles (Mankiv and Gregory 2002). By the mid-nineties, inflation and unemployment had both fallen, and neoclassicists were describing Keynesianism as a historical curiosity (Quiggan 2010). However, a considerable part of this decline in unemployment was the result of increasing numbers of people moving out of the labour market and onto disability benefits (JRF 1998; Social Exclusion Unit 2004). Moreover, this shift from unemployment to disability benefits was tending to take place in areas of the country, such as Scotland, which were hit hardest by the loss of heavy and manufacturing industry jobs (Forster 2015; Beatty and Fothergill 2010; 2016).

The view of the Conservative government that held power from the late seventies to the mid-nineties was large numbers of jobless people is a 'Price worth paying' (Hansard 1991) as long as it kept inflation low. However, the Labour opposition argued such an approach to economic management not only wasted resources it was also a policy of social exclusion. Support for this position was provided by neoclassical economists who

argued the NRU in the UK did not have to be as high as it was. They pointed out it could be lowered by altering the UK's institutional framework to incentivise the jobless to compete for work (Layard et al. 1991). Consequently, when the Labour government took power in 1997 welfare policy moved away from providing jobless, disabled people with open-ended benefits towards moving them into the labour market (DfEE, 2001). Since then, through boom of the early noughties and the recession following the financial crash of 2008 the welfare policy of subsequent governments has continued to move in this direction (Daguerre and Etherington 2014).

These policies have four components: financial support to look for and stay in employment, making benefits more difficult to obtain, ensuring work pays more than benefits and granting people employment-related rights (Layard 2001). Critics of this approach have argued that because there are a limited number of jobs in an economy that deadweight, substitution and displacement effects will make it infective. Layard (2001) deals with this argument in two parts. He marginalises the deadweight, substitution and displacement effects by reflecting on two jobless people X and Y, where only X is eligible for support. If both apply for a job and X gets it because of the support on offer person Y will remain unemployed. However, this does not mean Y will stay unemployed because by definition they are employable. In other words, the support for X has increased the number of employable people competing for work and made it easier for employers to fill their vacancies. As a result, he claims it is possible for a higher level of employment to be sustained without creating inflationary pressures. Then he goes on to use British statistical records, which show that since 1850 the labour force and the number of jobs have both grown by 240%, to undermine the idea there is a fixed number of jobs in an economy an that this means there is a relationship between an increase in the workforce and an increase in unemployment. In essence, Layard is arguing that if a country's unemployment rate is at its NRU then changing the institutional framework to increase the supply of labour will reduce inflationary pressures, increase the demand for labour, and lower the NRU.

Returning to the previous chapter, it will be remembered the goal of the 'Access to Work' and 'Work Choice' initiatives is to offset the additional costs disabled people face looking for and staying in work, the raison d'être of the 'Equalities Act 2010' is to make unlawful some of the unfair discrimination they confront every day; and the 'See Me' campaign seeks to reduce the stigma associated with mental illness. In the light of the discussion about NRU these initiatives can be seen as a package that presumes if disabled people are incentivised to supply their labour to the market and employers are encouraged to judge this labour rationally, then employers will hire them.

Enthusiasts for identifying the labour market as an arena for promoting welfare have described welfare to work policies, such as those being implemented by the UK government as the creation of an enabling or activating welfare state (OECD 1990; Gilbert 2002). From this perspective, the competitive market is a facilitator of recovery and paid employment is evidence of being in recovery from and being in recovery in mental illness (HM Government 2009). However, as was noted above, critics have described identifying labour market engagement as the goal of welfare policy as a transformation of the post-war 'Keynesian Welfare State' (KWF) into a Schumpeterian Workfare State (SWS) (Jessop 1994; 2002). To understand this line of thought, it is worthwhile looking at neoclassicism's longest standing critic: the old institutional economics.

3.6 The old institutional economics.

The old institutional economics emerged at the end of the nineteenth and the start of the twentieth century. Scholars like Veblen (1899) and Commons (1931) rebelled against the idea commercial activity in the real world can be understood by benchmarking it against a static theoretical model constructed using unrealistic assumptions (Hodgson 1998; 2000; 2009; Rutherford 1997; 2000). It draws on Darwin's thinking about evolution and fields such as history, law, management, psychology and sociology. It uses them to describe the economy as a stratified and evolving system. One whose outcomes are the result of continual interactions between individuals and networks of interdependent and value-laden cultural, social, political, technological and financial institutions whose purpose is to create order on an uncertain world (Myrdal 1978; Hodgson 1998; 2000;

2009; Rutherford 1997; 2000). For them, everything has a complex relationship with everything else. From their perspective, culture, with its generating of habits, identities and asymmetric distributions of power, is important; causal relationships are contingent; perpetual market equilibrium a chimera and the demarcation lines for economic analysis are relevant conditions rather than disciplinary boundaries (Myrdal 1978).

Their heterodox view of the world has prevented the old institutionalist economics from developing an alternative all-encompassing general theory of trade with which to challenge the one on offer from neoclassicism (Hodgson 1998; 2000; 20009; Rutherford 1989; 1997; 2000). Consequently, its detractors have accused it of being atheoretical (Hodgson 1998; 2000; 20009; Rutherford 1989; 1997; 2000). This charge is unfair. It would be more appropriate to describe it as believing theories should be rooted in reality and that they should be used to develop an understanding of the use and distribution of economic and political power in specific historical, geographical and social environments (Myrdal 1978; Rutherford 1989; Hodgson 1998). The above shows that the old institutional economics comes at the economy from the opposite direction to neoclassicism. Moving from general ideas about the interaction of agency and structure and how it evolves to the development of "specific ideas regarding economic institutions and types of economy" (Hodgson 1989 pg 169). It is consistent with the old institutional rejection of reductionism to believe there is more to employability than suppliers of labour striking a balance between the utility of leisure and the disutility of work. In other words, it can be influenced by impairments, the social location of people with impairments and the reactions of institutions towards them, and that because of this it can be right and proper for a country's welfare system to do more than incentivise people to respond to labour market signals.

The approach of the old school of institutionalism to economics is to expect that institutions will often outlast the people that created them and because of this habit, imitation, lock-in, cumulative causation and culture will over time produce patterns and regularities at the macro level, which will eventually inform how judgments are made at the micro one (Hodgson 1998; 2000; 2009). Endorsing the idea of an open system with feedback loops means chaos at the micro level can be independent of, and out of phase

with, conditions at the macro level and vice versa (Hodgson 1998; 2000; 2009). If one were trying to find a way to capture the difference between neoclassical and old institutional thinking, a good one would be to describe the former as looking upon the economy as a mechanism and the latter as seeing it as an organism.

3.7 The old institutionalist economics and economic policy.

For old institutional economists, institutions provide a cognitive framework that facilitates the habitual transformation of empirical data into knowledge, which is then used to develop an evolving understanding of the world. A good way of showing the implications of this is to consider the idea of money as a store of value, a source of power, a statement of account and a facilitator of exchange. In other words, it plays a part in creating, defining and locating relationships between various groups of people within and without the firm such as managers, labour, professions, trades, informal groups of workers, friends, family and wider society (Veblin 1899). Work by Piore (1978) and Minsky (1982; 1992) use this idea to show how institutions can influence labour market outcomes. Piore looked at changes to relative wages and Minsky access to credit. Piore argues social and economic relationships evolve, but that at any given moment of time the boundaries between them will be fixed. Amongst the situations he considers is when a court decision leads to increases in pay for a group of individuals. He then shows the threat this poses to the stability of these relationships leads others to demand pay rises to restore the differentials disrupted by the court decision, which then starts an inflationary cycle and an eventual increase in unemployment. In other words, factors such as custom and practice, power, and social location are integral to economic activity. Minsky drew on the work of Keynes and Schumpeter to look at what happens when pressure from financial institutions leads the state to deregulate the financial services industry (Mason 2009; Knell 2015). He then showed how rational behaviour at the micro level could result in instability at the macro one and how this could generated feedback loops that result in cycles of boom and bust of increasing frequency and a gradual polarisation of the labour market into relatively few stable well-paid jobs and relatively many unstable and poorly paid ones (Pollin 1997; Cassidy 2009; Mason 2009; Wolf 2014). In other words, policies encouraging rational economic behaviour at the micro level will produce

macroeconomic results that would be irrational for policymakers to identify as policy goals. By identifying inflation as something that can be triggered by the effect of institutional change and social relationships, Minsky and Piore are both saying the NRU thesis is simplistic because it ignores the symbiotic relationship between market and non-market factors and its influence on economic activity. The manner in which they do this suggests the economy may need to be steered by an independent body or bodies with the authority to persuade, pressure, or even force economic actors from different geographic, industrial and social environments to accept changes that are detrimental to them in the short run but beneficial to everyone in the long term. Abandoning the idea of money neutrality makes it clear that that the old institutional economics sees the economy as a laminated social arena. Moreover, the work of Minsky and Piore can be interpreted as identifying the macro and micro levels of an economy as being distinct ontological realms and the demand for labour as something existing in multiple markets regulated by different rules, and causal links that emerges from the conditions existing within the various strata of an economy (Hodgson 1998). Consequently, it is possible to draw a distinction between unemployment in the round and the labour market experiences of different demographic groups.

The development of this laminated model of the economy with the possibility of distinct ontological realms enables the old institutional economics to build bridges with Keynesianism (Piore 1978). These bridges open the door to arguing policymakers should use fiscal and monetary policy to increase the aggregate demand for labour. However, the nature of the lamination suggests increasing aggregate demand will not be enough to improve the employability of people who have been disabled by mental illness for it implies there is still a need to address the influence of factors such as power, culture, social norms, vested interests, location, and skills shortages in a variety of industries and locations.

Despite the neoclassical roots of the UK government's welfare to work policies. It can be argued they go some way to meeting these needs. For example the Equality Act 2010 and the 'See Me' anti-stigma campaign address social and cultural attitudes towards disabled people, which could prevent inflationary pressures arising out of non-disabled people

trying to maintain economic differentials, and the 'Access to Work' and 'Work Choice' seeks to mitigate the additional costs they incur when interacting with environments constructed with physical and mental norms in mind. However, these policies do not address the effects of deficits in aggregate demand, shortages of job-related technical skills, the influence of social networks on employability, or local variations in job vacancies. From an institutional perspective, such failures could mean the shock of introducing large numbers of disabled people to some of these labour markets might result in many local pools of unemployed people, which employers can use to threaten the pay and conditions of everyone on the bottom rung of the labour market(s).

3.8 Developments in neoclassical economics: the new institutional economics.

As noted earlier neoclassicism, the old school of institutionalism and sociology emerged from the fragmentation of political economy by the marginalist revolution. The old school of institutionalism reacted to this development by continuing with its heterodox approach to economic analysis. Neoclassicism and sociology went their separate ways (Clarke 1982). Parsons described these paths when he wrote sociology should confine itself to investigating the ultimate ends, or the value factors of social action and leave economics to focus on how the means to achieve these ends are generated (Parsons 1949; Beckert 2007). In other words, sociology and economics should be complements rather than partners or competitors. Given the nature of Parsons' hostility to the old institutional economics (Parsons 1949; Beckert 2007), it is reasonable to believe he meant economics should leave the study of institutions to sociology.

The division of labour described by Parsons held until the seventies when some neoclassical economists felt they could no longer ignore criticisms of their treatment of institutions as being exogenous to the economy or, in the case of firms, unproblematic black boxes (Hodgson 1998; 2000; Rutherford 1989; 1997; Ehrenberg and Smith 2012). Reactions to these criticisms led to the emergence of the new institutional economics. Like the old institutional economics, it sees institutions as endogenous to economic activity. Unlike them, it adopts and adapts neoclassical theory to explain their existence and treats the economy as the sum of its parts (Hodgson 1998; 2000; Rutherford 1989;

1997; Williamson 2000). Like neoclassical economics, the new institutional economics prefers private to public ordering, and it looks upon the old school of institutionalism as lacking analytical rigour and a theoretical framework (Hodgson 1998; 2000; Rutherford 1989. It is a position that Coase (1984 pg 230) brutally captured when he described the work of the old institutional economics as being a "Mass of material waiting for a theory, or a fire."

According to Williamson (2000), the foundation stones of the new institutional economics are two papers by Coase, "The Nature of the Firm" (1937) and "The Problem of Social Cost" (1960). Here Coase identifies transactions as having costs and institutions as attempts to minimise them in an economically efficient manner. In the course of looking back at his work, and that of his successors, Coase (1998) claimed the new institutional economics had successfully used transaction costs to explain the existence of economic, legal, political and social institutions; the development of their internal and external relationships; and their establishment as a determinant of economic performance.

A new institutional economist whose work is especially pertinent to employment is Oliver Williamson. Building on Coase's work, he investigated what gives rise to firms, their structures, their activities, and how they perform them, including their use of labour (McMaster and White 2013). He did this by making four assumptions. The first is that "in the beginning there were markets" (Williamson 1975 pg 21), the second is these markets were initially made up of rational utility maximising individuals (Williamson 1975; 1985); the third is that there are three dimensions to market transactions: uncertainty, frequency, and asset specificity (Williamson 1981; 1996; 1998), and the fourth is that social influences on a labour market are subordinate to the economic need to minimize transactional costs (Williamson 1993; 1997; 2000).

Williamson fleshes out Coase's argument about the purpose of institutions by drawing on the work of Herbert Simon (1997) on bounded rationality. Simon stated that gathering information about assets takes time, incurs costs and there is no way to determine when the optimal amount of information has been secured. He went on to argue that subjective constraints on time, resources and cognitive ability mean market actors have no choice

but to exploit their knowledge of history, their environment and the regularities they signal to find satisfactory solutions to problems rather than optimal ones: to be satisficers rather than satisfiers (Simon 1997). In other words, variations and limitations in people's capacity to use information to formulate and solve problems will not prevent them from trying to act rationally.

Bounded rationality means there are always asymmetric distributions of information (Simon 1997), which means contracts for assets can never be complete (Williamson 1975; 1980; 1993; 2000). Consequently, Williamson identified asset specificity as the most important dimension of a market transaction because it leaves room for people to incur transaction costs as a result of mistakes and opportunistic behaviour (McMaster and White 2013). With respect to labour, these costs are determined by human asset specificity and the ability to link specific outputs to individual workers (Williamson 1985).

According to the new institutional economics, one to one contracts between agents and principals are the preferred medium of economic activity but that they can become problematic when they involve frequent contact, the purchase of expensive assets, or a high degree of uncertainty. The reason given for this is that in such circumstances there more room for cognitive idiosyncrasies, asset specificity and opportunistic behaviour to generate significant transaction costs (Williamson 1975; 1981 1993; 2000). From a new institutional perspective firms efficiently manage transaction costs by internalising them. They do this by creating a bureaucracy to delegate and supervise tasks. As the firm grows, it hires more workers and creates more bureaucratic layers, and it becomes increasingly difficult to link workers to specific outcomes (Williamson 1975; 1981 1993; 2000).

The solution to this agent principal problem is aligning the interests of its employees with its desire for profit (Williamson 1975; 1985). The new institutional economics approach to such problems is to focus on cost minimisation and utility maximisation rather than parameters such as habit, identity, power, trust and other such manifestations of a firm's culture (Williamson 1975; 1985; 2000). Here the firm's workforce is seen as consisting of two types of team: primitive and relational, where primitive teams are made up of

workers with transferable skills while relationship teams are made of those with firm specific ones (Williamson 1985). The ending of an employer-employee relationship between a firm and a member of a primitive team is not seen as anything to be concerned about because the market will provide alternative employers and employees (Williamson 1985). However, the ending of such a relationship between workers from a relational group and the firm poses a threat to the firm because they are costly to replace. Firms protect themselves by providing these workers with on the job training, clear career paths, promotion from within and a degree of security (Williamson 1975; 1980; 1985). By acting this way, the firm limits the ability of these workers to move elsewhere because it makes it more difficult for them to find jobs offering similar rewards elsewhere (Williamson 1985). Now both parties are in effect in a bilateral monopoly situation. It follows from this line of thought that many vacancies will never reach the market and that many of those that do will either be for entry-level posts or ones requiring workers for specific tasks on an as and when required basis, where the employer can end their relationship with an employee with relatively little fuss.

The new institutional economics has been criticised for being biased towards employers, possessing theoretical inconsistencies and having a simplistic understanding of the role of workforce teams (McMaster and White 2013). With respect to siding with employers, Dow (1987) points out Williamson's work concentrates on the opportunistic traits of workers and ignores those of employers. One consequence of this is that the effect of agency principal problems between firms does not appear to have been considered (An important lacuna from the point of this study, given one of the things it is looking at is the use by the UK government of contracts with private firms to move people with a history of mental illness into employment with third parties). Accusations of theoretical inconsistency arise for three reasons. First, Williamson arbitrarily identifies markets without institutions as the starting point for his analysis. By doing so, he ignores the chicken and egg relationship between agency and structure. For example, markets require the existence of the institution of language if a transaction is to be negotiated, but language requires the existence of individuals and so on until reductio ad absurdum (Hodgson 2009; Rutherford 2001). Second, he explicitly identifies his model of employer-employee relationships as being a static one (Williamson 2000), yet he writes

about the influence of on the job learning on the employer-employee relationship (Williamson 1985), which suggests the need for a dynamic model (McMaster and White 2013). Learning on the job is the source of another gap in Williamson's thinking. McMaster and White (2013) point out the transactional costs model implies asset specificity is determined outside of the firm, however firm specific skills suggest asset specificity is endogenous. As for workforce teams, Williamson does not consider their intrinsic value. As a result, he ignores how they generate behavioural norms, informal lines of communication, feelings of belonging, senses of identity, and feelings of us and them with their implied threat of ostracisation for deviants (Granovetter 1985). He also ignores the reality that employees' social networks are likely to be made up of members of multiple teams both inside of and outside of the workplace such as professional bodies (McMaster 2008) and social clubs (Puttnam 2000). In other words, he does not take into account the possibility that skills might be industry instead of firm specific (Jacoby 1990), or that employability might be determined as much by culture, identity, social location, and social networks as it is by cost (Granovetter 1985).

These criticisms apart, there is some overlap between thinking of the new institutional economics and the old institutional economics in as much as it identifies public and professional discourses as something that will obstruct the employment of people disabled by mental illness. Ironically the reliance of the new institutional economics on transaction costs as an explanation for the existence of these barriers make it possible to argue it is surprising the UK government's welfare to work policies are trying to dismantle some of them. Nevertheless, there are barriers consistent with this line of thinking that these policies do not address, specifically market segmentation, internal and external job markets and the need for job-specific skills. These are barriers that suggest the number of vacancies people with mental health problems, who are entering the labour market after several years in receipt of disability benefits, will have a realistic chance of filling will be relatively small and that many of them will be for unskilled entry-level posts governed by challenging terms and conditions.

3.9 Developments in the old school of institutional economics: stratification economics.

Stratification economics recently emerged from the USA. Like the old institutional economics, it takes a heterodox approach to economic analysis and identifies groups with their ability to generate identities and asymmetric distributions of power as crucial influences on the outcomes of economic activity (Darity, Mason and Stewart 2010). The origins of stratification economics lie in investigations into the economic disparity between races in the US (Darity, Mason and Stewart 2010). Recently, it has started to research economic inequality rooted in caste, gender, and religion (Darity Hamilton and Stewart 2015), which suggests its thinking is relevant to disability. However, before continuing, it is important to say I am not conflating racism and disablism. Hopefully, it is self-evident ethnicity does not determine someone's ability to perform a task (Phyllis Jones 2002) and that impairments might (Thomas 2004). However, the reason I do not think this difference matters here is that stratification economics does not deal with capacity but the unfair denial of capacity.

As with the old institutional economics, stratification economists look upon the economy as a dynamic evolving system. Its focus is the historical interplay, competitive and collaborative, between groups, which are animated by the collective self-interest of their members (Darity 2005; 2009a; 2009b; Darity, Mason and Stewart 2006; 2010). Conflict and cooperation are seen as endogenous characteristics of society rather than exogenous forces disrupting market efficiency (Darity, Mason and Stewart 2006; 2010). One consequence of conflict is that members of winning groups often seek to dehumanise and oppress members of losing groups, who then go on to internalise the negative narratives created by the winners (Darity, Hamilton and Stewart 2014). In other words, prejudice and stigma are rational responses by society's dominant groups, whose purpose is the protection of privilege. Within this framework, cultural patterns are understood as being responses to context and maladaptive behaviour is interpreted as signalling the presence of defects and injustices in society rather the existence of dysfunctional groups (Darity 2009a).

Three things follow from the above about the views of stratification economists towards inequality. First, they see the existence of stereotypical beliefs about particular groups, such as the work shyness of the jobless, the positive work ethic of protestants, and the glorification of entrepreneurs as a product of the establishment and maintenance of group hierarchies (Darity, Hamilton and Stewart 2015)[7]; second, they reject explanations for unemployment and poverty that prioritize biological or cultural differences (Darity 2005); and finally, time series work and cross-sectional investigations have led them to conclude economic inequality is institutionalised by processes that transfer wealth across generations in ways that keep it under the control of specific social groups (Darity, Hamilton and Stewart 2015). Consequently, they believe policies that encourage engagement with the competitive labour market will not change the behaviour of members of disadvantaged groups unless they also strive to ensure investments made by members of these groups will generate the same returns as similar ones made by members of privileged groups (Darity 2009a). As a result, one of the foci of this school of thought is how this can be made to happen.

They have identified two courses of action here. First, agree with disadvantaged groups on how to end and compensate them for the historical social and economic injustices they have suffered (Darity 2009a); and second, in an echo of Keynesian thought, they believe the state should implement an ongoing programme of investment in the country's human and physical infrastructure that will guarantee members of disadvantaged groups who can work a job and provide them with specific job-related skills (Darity 2010). Darity (2010) argues this latter initiative will provide an assurance of good quality employment for members of stigmatized groups, reduce the adverse health outcomes, both mental and physical, associated with exposure to prolonged unemployment, and eliminate in work poverty because it will place a floor under the wage rates on offer from the private sector. In anticipation of concerns about cost, he provides figures from the US government

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[7] The focus on identity in stratification economics resonates strongly with the discussions in the previous chapter of sociological studies by Becker (1963) and Lemert (1951; 1967) on deviance; and Goffman (1990); Scheff (1984) and Link and Phelan (2013) on stigma.

showing that implementing such policy would cost around half what the US government spent on bailing out the financial sector (Darity 2010).

Although some of the UK governments welfare to work policies such as anti-stigma campaigns, 'Work Choice' and 'Access to Work', are compatible with Darity's ideas in principle, the striver skiver framework used to reduce and restrict access to out of work benefits is not. Furthermore, the identification by stratification economics of groups as the analytical starting point leaves it open to the same accusation levied at neoclassicism and the new institutional economics, which is arbitrarily breaking the chicken and egg relationship between agency and structure. But from a disability studies perspective what is really interesting about the thinking of Darity and his colleagues, is it provides an economic justification for disabled people of every hue to argue for services that provide training in valued job-specific skills, a work history, a circle of contacts that include people who make hiring decisions, the prospect of being judged for who they are rather than who they might be and sufficient ongoing support to guarantee them a decent quality of life when they are unable to work.

3.10 A response to the new institutional economics: the new economic sociology.

Sociology, in the tradition of Parson's, did not reply to work such as that by Becker, Lazear and Gibbs, and Stigler on the role of discrimination, the family, norms, and flows of information on employability that was touched on earlier even though they could be thought of as incursions onto its territory (Kalleberg and Sorensen 1979), perhaps because their work focused on individuals, utility maximisation and price competition. Nor, at the time of writing, does it appear to have replied to the work of the stratification economists. There could be three reasons for this, silo thinking, the newness of their work and their desire to draw on sociological thought rather than replace it. The use by Oliver Williamson of transaction costs to provide an alternative explanation to sociology's for the existence of institutions resulted in a backlash from sociology (Granovetter 1985; 1995). This backlash resulted in the emergence of the new economic sociology (Granovetter 1985; 1995), a school of thought whose aim is to redraw the boundaries separating economics and sociology in sociology's favour (Granovetter and Swedberg

1992). Amongst the work carried out under its banner are studies by Abolafia (1996) looking at the influence of social norms on financial trading; Zelizer (1978; 2011) investigating the role of social taboos and intimacy in shaping economic activity and most famously, Granovetter (1985; 1995a) who has written on the embeddedness[8] of economic activity in society and the role of social networks on employability.

The resonance of Granovetter's work with the heterodox approach to economic analysis of the old institutional economics has led some scholars to describe their work as being effectively new wine in old bottles (Ingham, 1996, p. 245). Granovetter concedes sociology's concept of people as beings whose freedom of action is constrained by the internalisation of consensually developed systems of norms and values is an overly socialised one (Granovetter 1985). After closing of a common line of criticism of sociological thought, he goes on to attack the thinking of the new institutional economics. The foundation of this attack is that using neoclassical theory, bounded rationality and transaction costs to explain the existence of institutions is an example of economics overplaying its hand because it under estimates the role of habit, identity, trust, social networks and culture in dealing with uncertainty and over estimating the influence of incentives, regulation and calculation in managing risk (Granovetter 1973; 1985; 1995a).

Granovetter argued there was a need to chart a new route through the territory mapped out by economic thought (Granovetter (1985; 1995a). In doing so he accepted reality is independent of our knowledge of it; that humans had cognitive limitations, and that institutions create multiple markets because they regulate exchange by marking the boundaries between the known and the unknown, risk and uncertainty and order and chaos (Granovetter (1985; 1995a). His mapping of this territory led him to conclude institutions are power structures whose existence is catalysed by established social networks. Consequently, variations in the development of the relationships that give rise to these networks will determine if, when and in what form institutions will emerge. For example, when exchanges are conducted between parties who lack overlapping networks

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[8] Granovetter's work should not be confused with Polyani's. Although Granovetter referenced Polyani, Polyani's work is more hostile to capitalism than Granovetter's. For more on this see Beckert, J (2007). The great transformation of embeddedness: Karl Polyani and the new economic sociology. MPIfG Discussion Paper, No. 07/1. http://www.econstor.eu/bitstream/10419/19938/1/dp07-1.pdf Downloaded on the 21/10/14.

or are members of ones that are conducive to dishonesty and disorder it will create pressure for the creation of institutions. Alternatively, when networks are ones that induce order and honesty, then the demands for the creation of these institutions will be absent, making them less likely to form.

It follows from Granovetter's view of the world that labour is traded in multiple markets separated by barriers that can be difficult to cross. Here, however, the foundation of these obstacles is not transactional costs but trust, habit, social networks and culture and a desire for protection against the hazards that reside in the unknown. It is a perspective that suggests the trade in labour will, by its very nature, deny employment to many people. It is also one that points to the UK government's welfare to work policies being ineffectual in improving the employability of people with a history of mental illness even if they possess in demand skills because although they address the issue of stigma they do not address the other factors that shape employability such as knowing people who make hiring decisions or those who have access to them.

In making his arguments, Granovetter was well aware of the dangers of functionalism with its tendency to explain things in terms of effect rather than cause, its denial of contradiction and disorder and its marginalisation of the malign influence of factors such as disablism, racism and sexism (Rex 2010). He accepted that because social networks establish close, longstanding relationships they not only foster trust, they provide opportunities for malfeasance, not just in terms of breaches of trust but also in terms of the abuse of power that comes with the formation of groups (Granovetter 1985). However, he did not go into detail about why some group relationships foster honesty and support while others resulted in dishonesty and unfair discrimination beyond saying the outcome would be determined by the details of how the group was structured. Instead, he pointed out the need for economic sociology to study the role of interpersonal relationships in economic activity, which is a challenge that (2011) has taken up with her 'connected worlds' and 'circuits of commerce' approach to transactions.

3.11 Developments in the new economic sociology: connected worlds and circuits of commerce.

Zelizer's (2011) thinking about connected worlds and circuits of commerce builds on her earlier (2007) work on the role of intimacy in economic activity. She starts by arguing decisions made in the economic world are viewed as rational because they are motivated by financial self-interest, while those in the social world are seen as irrational and altruistic because they are influenced by feelings of emotion, intimacy, identity and mutual obligation and that allowing decision-making processes in one world to intrude in those of the other is dangerous. If the rules regulating economic action impose themselves upon the social world, it creates the danger that everything will be reduced to a commodity (Marx 1844; Weber 2009). In other words, qualities are reduced to quantities, and the world's problems are treated as a question of arithmetic (Simmell 1950). As a result, the most important question about a problem is never what should be done but much will it cost? Similarly, allowing the rules that regulate social activity to intrude upon the economic world creates the danger that economic actors will be directed away from economic imperatives towards servicing personal relationships. As a result, irrational and unfair discriminatory practices are introduced into the workplace and profits are reduced (Zelizer 2011).

From here she goes on to describe the economic and social arenas as examples of circuits of commerce, where commerce includes but is not limited to exchange for money (Zelizer 2011). Each of these circuits has well-defined borders where movement across them is policed and monitored. Within each circuit, a distinctive set of transfers is facilitated by specific media and ties whose meaning is shared by members of the circuit. At this point, it would be reasonable to ask, how does this differ from the network analysis that forms the foundation of the ideas of Granovetter about embeddedness (1985; 1995a)? For the most part network analysis is functionalist in its approach: it focuses on relatively stable patterns of social ordering and tends to ignore the variable content of transactions and their meanings or their fluid continually changing nature (Zelizer 2011). Circuits of commerce address this lacuna by accommodating questions about meaning and relational and emotional labour.

Circuits of commerce can do this because their members inhabit multiple circuits. Consequently, they are not a collection of closed worlds with their own cultures. Zelizer argues economic actors use these circuits to create an institutional structure, which makes an uncertain world more predictable and less threatening by utilising the mode of exchange and level of trustworthiness appropriate to specific circuits. One example of a circuit of commerce is shared membership of a group such as family, friends or professional guilds. Here, biological imperatives, custom and practice, feelings of mutual obligation and the existence of penalties for breaking with established norms may result in information about jobs only being circulated as a gift to members of that group. Another circuit is where the specialist nature or scale of an employer's demand for labour, leads them to believe managing the costs of satisfying their demand for labour is best served by paying a fee to a specialist third party. From Zelizer's perspective, an open market regulated by price competition can be seen as a circuit of commerce employers engage with when intimacy, social relationships and the institutions that have emerged to manage transaction costs have failed to identify suitable sources of labour.

3.12 Reflections on theories of the labour market.

Neoclassicism and the new institutional economics idealise humans as beings whose only motivation is securing rewards from others (Ghoshal and Moran 1996; Osterloh and Frey 2000; Ehrenburg and Smith 2012). The former offers a generalised theory of trade that identifies institutions as an exogenous disrupter of efficient market functioning (Ehrenburg and Smith 2012). The ambition of the latter is to offer an alternative general theory of trade, which identifies institutions and their creation of multiple markets that can be difficult to move between as rational responses to the existence of transactional costs (Williamson 1975; 1985; 2000)[9]. Both perspectives offer explanations for the emergence and transformation of capitalist markets and the movement of job seekers across continents. In doing so, they reject the idea that the economy could be laminated into distinct ontological realms. Furthermore, they have difficulty accommodating the

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[9] Nobel Prize winner Douglass North is an important new institutionalist economist who appears to have turned away from trying to explain the existence of institutions in terms of transaction costs. His later work is more in line with the thinking of the old institutional economics (Hodgson 2009). Even Williamson (2000) appears to acknowledge that his position that in the beginning there were markets is problematic, given his positive comments about Granovetter's ideas on embeddedness.

reality that recruitment decisions are not the product of competition but the relationships created by group membership and their fostering of identity, intimacy and habitual cooperation. One example of this is word of mouth, which is frequently used by employers to identify sources of labour (Granovetter 1995a) another is the frequent hiring of family members and friends by owners of firms (Zelizer 2007; 2011).

The argument of the new economic sociology that trade is embedded in and regulated by social relationships provides signposts for explaining how families, friends acquaintances and word of mouth influence employability. However, these markers do not offer a general theory of trade, nor can they account for the emergence and transformation of capitalist market(s) (Beckert 2007). Unlike neoclassicism or the new institutional economics, it struggles with the idea of a market where technology makes it attractive for a small business to move abruptly from a situation where they employ local people with whom it has a longstanding relationship, to one where they subcontract work to a firm on the other side of the world where no such relationship exists. It is scenarios like this that have led Granovetter (1985) to accept that the foundation stone of the new economic sociology, his concept of embeddedness, is vulnerable to the criticism made of the old institutional economics, which is that unlike neoclassicism or the new institutional economics, it does not offer an all-encompassing model of trade.

Other new economic sociologists reacted differently to Granovetter to this criticism. They modified the term embeddedness in the same manner as neoclassicists have the term capital. Where neoclassicists frequently speak of social, cultural, human and political capital; these sociologists often talk of cultural, cognitive, political and structural embeddedness (Zukin and Di Maggio 1990). However, this fails to address the accusation that the new economic sociology has no unifying theory. Consequently, critics of the new economic sociology have been able to accuse it of the offence it had accused others of committing, which was overplaying its hand. A good example of this is a study by Blair (2012), who reviewed two papers by Uzzi (1996; 1997) that are influenced by Granovetter's work, which looked at the US garment industry. She pointed out that Uzzi's evidence showed that the relationships are often created by pre-existing economic

institutions and that once the influence of these institutions disappears then so do the relationships that they created. With hindsight perhaps these new economic sociologists would have been better able to defend themselves by reviewing the work of the old institutional economics.

If they did, they would have found that a lack of a general theory can be defended. The heterodox approach of the old institutional economics is open to the idea that an economy is a place where the interaction of agency and structure may produce transcendent results. Consequently, it can accommodate the idea micro level transactions are embedded in, shape and are shaped by a myriad of historical and socially located identities and relationships. This characteristic has influenced the emergence of stratification economics and its argument that the outcomes of competition between groups in pursuit of their member's interests will require state intervention in the economy if it is to be prevented from evolving in ways that distribute wealth unfairly. Furthermore, the possibility of transcendence enables macro and microeconomics to be treated as related but ontologically distinct realms, which validates the use of Keynesianism by policymakers as a tool of economic management. All of which offers an explanation for why influential new economic sociologists such as Granovetter have mourned the decline in influence of the old institutional economics (Velthuis 1999) and why Zelizer (2011) has taken a heterodox approach to economic analysis by using the concepts of connected worlds and circuits of commerce to unpack the social and economic influences on economic activity.

3.13 The engagement of the disability literature with labour market theories.

Like the discussion in the previous chapter, the one here revolves around the influence of agency and structure on life's outcomes. Given this, one would have thought the disability literature would have engaged with the economic and sociological debates about the labour market. There has been theoretical work, such as that by Oliver (1990) and Barnes (2012), which identifies this market as disablist. However, this has not been followed up with empirical research seeking to identify whether they are right. Instead, the presumption underpinning empirical work on employability is the high unemployment experienced by disabled people is the result of institutions that obstruct access to the

labour market, (Burns et al. 2007; Bond et al. 2014). Examples of this being research into the influence of stigma on employability such as that by Manning and White (1995) and Brohan and Thornicroft (2010).

One result of the failure of disability studies to engage with the disputes within economics and between economics and sociology about the labour market is it has never concerned itself with how the labour market works or its demand for labour at any point in time. Another is that it has never gathered evidence from employers about their beliefs about the employability of people disabled by mental illness other than to ask them about their reactions to imaginary people in hypothetical situations (Riddel et al. 2005; Clark et al. 2010; Hayward and Bright 1997; Sharac et al. 2010). In the light of the discussion in this chapter and evidence showing that employers hire significant numbers of people with a history of mental illness, including some with severe and enduring conditions (Mechanic et al. 2002; Lelliot 2008; Henderson et al. 2013), it is clear an assessment of the efficacy of the UK government's welfare to work policies will have to address these lacunae. Consequently, this study will gather and assess data about the overall health of the labour market and collect and reflect upon evidence from employers about their beliefs about mental illness, what they think is involved in trading for labour and how they go about identifying and recruiting new employees. Given the influence of neoclassicism on the UK government's economic policy indicates they prefer private to public ordering the focus of these investigations will be the private sector.

Chapter Four:

A macro-level exploration of the Scottish labour market at the time the UK government was implementing its welfare to work policies.

4.1 Introduction.

This chapter will discuss the overall health of the labour market in Scotland between March 2008 and March 2013 by drawing on the economic and sociological literature. It will start by looking at the financial crisis of 2008, the consequent recession and whether the evidence indicates these events were the result of an endogenous or exogenous shock to the market. From here, it will move on to consider the response of successive governments to these events. In particular, how the Conservative / Lib Dem coalition used them to justify amplifying its Labour predecessor's supply-side welfare to work policies and what this means for jobless people disabled by mental illness. After this, there will be a reflection on the state of the Scottish labour market. Next, Scottish employment-related statistics will be considered in the light of insights provided by neoclassicism, both schools of institutionalism, stratification economics and the new economic sociology. The ground covered here will be the effects of the recession on employment, how changes to the benefits system have changed the supply of labour to the Scottish labour market and the potential for them to change it further. Finally, the chapter will close by considering the ability of the Scottish labour market to absorb these changes and what this tells us about the ability of the UK government's welfare to work policies to improve the employability of jobless people who have been disabled by mental illness.

4.2 The relevance of the global financial crisis of 2008 and the consequent recession to those people with a history of mental illness being moved into the labour market.

In the UK, the collapse of Lehman Brothers and Northern Rock heralded the arrival of the financial crisis of 2008. Shortly afterwards, the UK and many other western economies entered the deepest recession since the 1930's (Hay 2010; Stiglitz 2010). The catalyst for these events was something that, at first glance, appears unrelated to the employment prospects of jobless people in Scotland who have been disabled by mental

illness: the collapse of the US housing market bubble of the late nineties and mid-noughties (Krugman 2008; Stiglitz 2010; Wolf 2014). This bubble followed the deregulation of their financial systems by the world's advanced economies, a subsequent increase in the availability of cheap money and the desire of the government of the US to increase home ownership at a time when large parts of that country's productive capacity was lying dormant (Cassidy 2009; Stiglitz 2010; US Financial Inquiry Commission 2011; Wolf 2014).

The economic environment encouraged financial institutions to invest in the US housing market by offering mortgages to people who were once ineligible for them (US Financial Inquiry Commission 2011; Wolf 2014). These 'sub-prime' loans were structured so that the interest paid by the debtor increased significantly during their lifetime (Stiglitz 2010; Mian and Sufi 2014). Often, the risks involved in such loans were not fully explained to borrowers. When they voiced concerns about servicing their debts, they were told that because house prices would continue to rise, they could keep monthly repayments low by repeatedly remortgaging (Stiglitz 2010; Mian and Sufi 2014). The faith in ever rising house prices also led financial companies to encourage homeowners to use the value of their homes to borrow money to buy goods and services. By 2008, three-quarters of the USA's GDP was housing related (Stiglitz 2010).

The threat posed by their expanding portfolio of loans led lenders to repackage them into financial products called derivatives[10]. These contained a mixture of good and poor quality loans and were structured in a way where people could buy tranches of them. The attraction of selling them was it enabled loan portfolios to be removed from balance sheets. The appeal of buying them was the belief they minimised risk (Greenberger 2010; Mian and Sufi 2014; Stiglitz 2010; US Financial Inquiry Commission 2011; Wolf 2010). Now, poor quality loans were viewed as unproblematic sources of profits (Wolf 2010; Stiglitz 2010).

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[10] According to the US Comptroller of Currency, a derivative is a contract that derives its value from the performance of an underlying entity, which can be an asset, index, or interest rate, and is often called the "underlying". An example of a derivative is collecting mortgages carrying various levels of risk and repackaging them as a single product to be sold on to investors.

Consequently, financial institutions around the world were buying, creating, deconstructing, repackaging and selling derivatives. Later, manufacturing companies were finding their finance departments were their most important source of profits (Wolf 2010; Stiglitz 2010). Soon, a global market for financial products, with a nominal value of trillions of dollars, which nobody understood, was created (Greenberger 2010; Mian and Sufi 2014). Before long, these companies started to use leveraged finance[11] to purchase derivatives (Blair 2008; Stiglitz 2010; US Financial Inquiry Commission 2011). The uncertainty created by these developments was obscured by a consensus private debt didn't matter because one person's debt is another person's credit, money is a neutral facilitator of exchange and banks are only intermediaries who linked creditors to debtors (Wolf 2014; Keen 2011). As a result, credit rating agencies were able to award 'Triple-A' ratings to firms that had unknowingly lost control of their balance sheets (Stiglitz 2010; Mian and Sufi 2014).

As long as house prices continued to rise, which they did for more than a decade, few people saw any problems on the horizon that could not be dealt with by raising interest rates (Keen 2011; Stiglitz 2010). Indeed the increase in global economic activity generated by house price inflation led some neoclassical economists, including Robert Lucas (2003), to declare, with no little degree of hubris, the economic cycle of boom and bust had been mastered. In economies such as the UK's, commercial activity was so robust they started to experience shortages of labour (Frogner et al. 2002). As a result, employers imported foreign workers (Dustmann et al. 2002) and policymakers used studies such as 'Transforming Disability into Ability' (OECD 2003) to reintroduce an old response to tight labour markets, one criticised by Stone (1984) for being unfair to disabled people, which is identifying them as a reserve source of labour.

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[11] Leverage, often referred to as gearing in the UK, is any technique that can multiply gains or losses. Brigham, E. F and Houston, J. (2011). Fundamentals of Financial Management. Concise Edition. Boston: Cengage. An example of leverage is purchasing a £10 product by putting down a deposit of £1 and borrowing £9 with the promise to pay it back in a year's time, which is leverage of 10 to 1. If after a year they sell the product for £11 they have made a return of 100% on their money. If they had paid cash, their return would only have been 10%. The opposite is true if the value of the product had fallen by £1. A small amount of money is being used to control a larger amount than would typically be possible by a direct cash purchase.

In 2005-2006 the US housing market collapsed. Increasingly, homeowners were unable to remortgage to avoid contractual interest rate rises. But because they held non-recursive mortgages, they could walk away from their debt. Creditors had no choice but to write off these loans and take control of assets whose value was shrinking (Stiglitz 2010; US Financial Inquiry Commission 2011). Before the deregulation and globalisation of the financial sector, the difficulties arising from these events would have primarily been a concern for US policymakers. Now, the continuous worldwide buying, selling, repackaging and reselling of derivatives meant nobody knew who had responsibility for the debts linked to worthless assets (Stiglitz 2010; US Financial Inquiry Commission 2011). All that was known was it was spread throughout the world's financial system. As a result, financial institutions stopped lending to each other (Stiglitz 2010).

It is here, the relevance of events in the US housing market to the employment prospects of people in Scotland with a history of mental illness emerges. When the flows of money between financial institutions dried up, huge holes appeared in their balance sheets. To protect themselves they made fewer loans to new customers, pressurised existing ones to concentrate on repaying their debts rather than investing in the production of goods and services and took over healthy businesses experiencing cash flow problems, closed them down and liquidated their assets (Adair et al. 2009; Stiglitz 2010; Fraser 2014). Suddenly, economies across the world, including those in Westminster and Holyrood, were facing the deepest recession since the 1930's (Hay 2010; Stiglitz 2010).

Despite the scale of the recession, unemployment in the UK did not approach the levels experienced during the great depression (Tatton 2009; Coulter 2015). Automatic stabilisers: structural buffers that exert their influence without government action, such as the tax and benefits system and public sector employment, which were much smaller in scale in the 1930's, absorbed around a third of the economic shock caused by the financial crisis (Doll et al 2009; Veld et al 2012). Nevertheless, as we will see, the relatively small rise in unemployment disguised a sharp rise in underemployment. Consequently, those people disabled by mental illness who are moving into the labour

market will be face competition for jobs from a large numbers of workers with better work and health records and more up to date job-relevant skills.

Within economics, some neoclassicists sought to absolve the market from blame. Ignoring the reality that private banks create money in pursuit of profits, they argued events were caused by an exogenous shock: an inappropriate use of monetary policy by the US government (Russell 2010). Others economists took a different tack and blamed activity in the market (US Financial Inquiry Commission 2011; Wolf 2014). Accepting the neoclassicists' argument is problematic for two reasons. First, most neoclassical economists dismissed concerns about the possibility of a crash right up until it happened (Stiglitz 2010; 2014; Wolf 2010; 2014). More importantly, Hyman Minsky, a self-identified old institutional economist, whose work was introduced in the previous chapter, had presciently used the work of Keynes and Schumpeter (Mason 2009; Knell 2015) to develop a theory of financial instability that predicted the events of 2008 would play out.

Before 2008, Minsky's maverick status meant his work was largely ignored (Cassidy 2009; Mason 2009; Keen 2011; Wolf 2014). Given events, it is important to revisit his thinking here. Unlike neoclassicists, Minsky thought the role of money as a store of value and a statement of account could be as important as its function of facilitating exchange (Knell 2015). In another departure from orthodoxy, he viewed financial institutions as profit-seeking entrepreneurial businesses that linked debtors and creditors and created money so that they could pursue profits (Knell 2015). Minsky observed companies grow by purchasing existing assets and creating new ones and that this growth is not always created by investing retained profits but by borrowing money from financial institutions, which they create in response to a promise of future profits. When everything goes to plan, the capital goods purchased with this money will, along with the labour that uses them, generate enough profits to provide the lender with a steady stream of payments over the lifetime of the loan. However, the future is unpredictable, and the banks have no cast-iron guarantee that these payments will always be made. Consequently, the expansion of the economy depends on whether financial institutions feel it is safe to speculate on future income (Minsky 1982; 1992). Price stability provides such security,

and it increases their willingness to lend money. With credit easier to come by, businesses invest more, and paper profits rise. As a result, financial institutions become more willing to provide credit businesses become more relaxed about going into debt (Minsky 1982; 1992). Consequently, stability leads to an increase in debt financing, which will be weak at first because of memories of previous bad times.

But as these memories recede, financial institutions will be able to persuade the state continued growth depends on them being free to innovate in the pursuit of profits and that this requires deregulation. Initially, they use their new found freedom to lend to businesses and private individuals that can pay the principal and the interest (Hedge finance). Later, they lend to those that can only pay the interest (Speculative finance). Finally, they identify rising asset values (paper profits) as security for their loans, which justifies them lending to those who cannot pay the principal or the interest (Ponzi finance). Gradually consumption and profits become more dependant on using debt to trade in existing assets than they are on wages from employment or the creation of new assets.

At the Ponzi stage, the financial institutions become unable to service the demand for credit from their assets. As a result, they borrow from each other, create products such as derivatives and buy and sell different parts of them. By trading in this way, they move debt off their balance sheets and increase their paper profits, thereby creating an illusion of reduced risk that encourages businesses to use leveraged finance to purchase more derivatives so that they can increase their paper profits by lending more. Eventually, even the financial institutions become Ponzi borrowers who can only continue in business if they can attract enough new investors to pay their existing creditors (Minsky 1982; 1992).

Minsky then went on to point out credit booms always end when worries about inflation lead to upward pressure on interest rates. With money becoming harder to borrow, debtors, including healthy businesses, start to experience cash flow problems. Because they can no longer rely on rising paper profits for protection against their debts, they start to sell off their assets. As a result, asset values fall; paper profits turn into actual losses; demand for goods and services fall; businesses go bust; investment declines and

unemployment rises. Consequently, asset values fall further and a downward spiral develops, which continues until the effects of the bubble are purged by the running down of stocks, the wearing out of capital assets, the reduction of debt and laying off workers. Minsky portrays rational behaviour in financial markets as something that causes the broader economy to lurch between boom and bust (Minsky 1982; 1992). From his perspective, financialisation produces an inefficient distribution of resources. Instead of an economy having a natural rate of unemployment, its demand for labour will tend to be sinusiodal, with peaks and troughs of growing frequency and scale, which gradually polarises around relatively few stable well paid jobs and relatively many unstable poorly paid ones (Pollin 1997; Cassidy 2009; Keen 2011; Wolf 2014; Knell 2015).

4.3 The response of the UK government to the financial, crisis the subsequent recession, and how it affected people with a history of mental illness.

At the start of the financial crisis, price inflation was still seen as the key strategic concern (Stiglitz 2010; Wolf 2014). Demand and unemployment were problems that policymakers felt could be dealt with by manipulating monetary policy (Stiglitz 2010; Wolf 2014). Cutting interest rates would encourage people to spend resources rather than save them. In turn, demand would increase, and employers would hire more people, which would create more demand and a virtuous cycle would ensue. However, as the scale of the crisis became apparent, it became clear this approach was problematic. Many of the world's largest financial institutions, including two headquartered in Scotland, RBS and HBOS, were in serious trouble. Cutting interest rates would reduce their deposits and increase their vulnerability, and if they went down, they threatened to take the global financial system with them (Acharya et al. 2009; Crouch 2010; Stiglitz 2010; Wolf 2014).

In the course of tackling the crisis, the government suspended its fiscal rules about deficit management until the crisis was over because the situation had rendered them perverse (Darling 2008). Following this change, borrowing rose from 2.3% of GDP in 2007-2008 to 11.3% in 2008-2009 (Hodson and Mabbett 2009). Subsequently, some commentators accused the government of adopting a discredited Keynesian approach to economic management (Lee 2009), an accusation that was endorsed by the Conservative opposition

(Osborne, 2008). Setting aside any opinions on the efficacy of Keynesianism, how accurate were these allegations? According to the OECD (2009), discretionary spending in the UK amounted to around 1.4% of GDP as opposed to 3% in Germany and almost 6% in the USA. Some of this was used to fund the automatic stabilisers, such as increased unemployment benefits, but in relative terms the sums involved were tiny (Hodson and Mabbett 2009). A far more significant proportion of the money available to the government, around a £1000 billion (National Audit Office 2010), was set aside to stabilise the banks and improve their liquidity (Stiglitz 2010; Wolf 2014; National Audit office 2010). It follows that any stimulus this gave to the economy would have to work its way through the financial system. In other words, the bail out to the banks was designed to improve access to credit. In the light of the above, and evidence showing the one fiscal stimulant the UK government gave to the economy during the crisis was the novel one of a temporary cut in VAT (Crossley et al. 2014), it is perverse to accuse the last Labour government of acting as Keynesian demand managers.

Perverse or not, it appears the public was persuaded it was not private sector recklessness or market failures that were at the root of the country's economic problems but public sector profligacy, for after the 2010 election a coalition between the Conservatives and the Liberal Democrats formed a new government (Crouch 2010; Wolf 2014). In power, they did not try to cut public spending. Instead, the Labour policy of taking money away from the direct provision of services and using it to create a market where private sector service providers could compete for government contracts was pursued with greater vigour (Kersbergen and Hemerijck 2014). To justify this the coalition argued that continuing to support the financial sector would keep interest rates low, encourage private wealth to be invested in productive sectors of the economy rather than being left lying on deposit or being used to purchase government bonds and increase tax receipts, which in turn could be used to reduce the deficit (Wolf 2014). In effect, the coalition was claiming that if the public sector were prevented from crowding out the private sector demand would be increased (Alisina and Ardagna 2009).

For people with a history of mental illness, many who have received disability benefits for more than two years (DWP 2015A)[12], the consequences of the coalition government's approach to economic management were threefold. First, it allowed them to yoke their argument about the need to cut the public debt to the one made by Waddell and Burton (2006 a, b) that paid employment is good for mental health in order to justify increasing the impetus behind the policy, started by the last Labour government during the boom years, of moving them into the labour market. To this end, they spent £2.4 Billion between 2011 and 2014 on the Work Programme, Access to Work and Work Choice initiatives (DWP 2014a; DWP 2014b). Second, the government expanded the policy of contracting out its functions (Crouch 2010), which meant the services provided to them were increasingly determined by targets set for private businesses by government contracts.

The challenge facing these policies can be seen by reflecting on evidence a disproportionately large number of people with a history of mental illness in receipt of disability benefits live in post-industrial areas of the UK such as Scotland (Forster 2015; Beatty and Fothergill 2010; 2016). These areas are heavily reliant on the public sector for work (McVicar 2013; Hecks et al. 2005). In Scotland, the move away from the direct provision of services has contributed to a loss of 30,000 public sector jobs (Scottish Government 2014b). The indications from the government are that these losses will increase significantly (HM Treasury 2016). It follows, that when people in Scotland move off disability benefits and into the labour market, the focus of their job search activities will have to be the private sector. Now, the discussion will continue with a look at the challenges they face when they do this and what they tell us about the efficacy of UK welfare to work policies. To begin with, it will look at the recession's effect on private sector jobs in Scotland.

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[12] Two years does not capture how long many of these people have been absent from the labour market because the rolling programme of moving people off the old disability benefits and on to ESA resets the period of claim clock to zero.

4.4 The effects of the 2008 recession on private sector employment in Scotland and what this means for the employment prospects of people with a history of mental illness.

Despite its depth, the recession did not produce levels of unemployment anything like those of the great depression of the 1930's. They had more in common with those of the less severe recessions of the 1980's and 1990's. In the UK the downturn of the 1980's produced a rise in unemployment of 2.4%. The figure for the one in the 1990's was 3.4%. The figures for the the recession that followed the financial crash was 2% in the UK (Lambert 2010) and 4% in Scotland (Scottish Government 2011). Even if one allows for the effect of automatic stabilisers these figures are surprising.

The figures in Table 1 below contain figures for March 2008 and March 2013 for the number of small medium and large businesses that were in operation in Scotland and the numbers of people they employed.

Table 1: Businesses operating in the private sector in Scotland
in March 2008 and March 2013[13].

Size of business	Number of employees	March 2008				March 2013			
		Number of businesses[14]		No of people employed by sector		Number of businesses		Number of people employed by sector	
		2008	%	2008	%	2013	%	2013	%
Small	1-49	92,045	94	595,640	33.6	94,810	94	589,110	33.4
Medium	50-249	3,575	3.7	252,810	14.4	3,705	3.7	252, 030	14.4
Large	>250	2,285	2.3	920, 260	52.0	2,270	2.3	921,110	52.2
Total	N/A	97,665	100	1,768,710	100	100,785	100	1,762, 250	100

These show the relatively small rise in unemployment was not the only surprise, for they indicate that the numbers of private sector businesses operating in Scotland had increased by 3%, while the number of people in employment had decreased by less than 1%. These figures appear relatively benign. However, the massive support for the financial services

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[13] Scottish Government (2014) Businesses in Scotland tables.
http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Corporate/Tables/TimeSeries Downloaded on the 25/8/14.
[14] The Scottish Government (2015) Increase the number of businesses.
www.gov.scot/About/Performance/scot/Performs/indicator/businesses Downloaded on the 25/8/14.

industry was not repeated elsewhere. Consequently, they disguise significant variations in the effects of the recession on different sectors of the economy. Manufacturing and construction, which historically had substantial numbers of manual and unskilled jobs, experienced job losses of 10% as opposed to the 2% fall in the services sector (Gregg and Wadsworth 2010; Martin 2012). Evidently, the last recession accelerated the decline in demand for manual and unskilled labour that had previously been identified by Bell and Smith (2004), which suggests unemployed people with a history of mental illness, will have to look for work in the service sector.

Closer scrutiny of the above figures shows the surprisingly small drop in employment occurred at a time when the number of small firms increased and the average number of people they employed decreased. An explanation for this is that some people who lost their jobs during the recession preferred to enter self-employment rather than register for unemployment benefit (Bell and Blanchflower 2011). The figures in Table 2 below provide some support for this argument. They show between March 2008 and March 2013 the number of self-employed people increased by 24,000. However, the rest of the figures show that at the same time employment fell by 45,000, JSA recipients increased by 68,000, the number of economically inactive people rose by 73,000, and the total number of jobs declined by 167,000. Evidently, this argument, on its own, cannot explain the relatively small increase in unemployment.

These figures also show that in March 2008 there were over 200,000 jobs unfilled and 75,000 people on JSA, while in March 2013 the respective figures were 90,000 and 140,000, which suggests that unemployment in Scotland has changed from being predominantly a supply-side problem to being mainly a demand-side one. Given the amount of liquidity sucked out of the economy as a result of the financial crisis, this is unsurprising. However, even with this change, there were still over 90,000 jobs left unfilled.

Table 2: Changes in the Scottish labour market
between March 2008 and March 2013.

		March 2008	March 2013	Change
1	JSA Claimants[15]*	75,300	143,570	+68,230
2	Economically active aged 16 to 64[16]**	2,680,000	2,753,000	+73,000
3	Total jobs[17]	2,758,000	2,591,000	-167,000
4	Demand> Supply	78,000	-162,000	-240,,000
5	Self-employed jobs[18]	271,000	295,000	+ 24.000
6	Employee jobs[19]	2,468,000	2,280,000	-188,000
7	Other jobs[20]	19,000	16,000	-3,000
8	Public sector employment[21]	701,300	655,300	-46,000
9	Third sector employment[22]	73,900	81,700	+ 7,800
10	Private sector employment[23]	1,768,710	1,762,250	-6,460
11	Total employment	2,543,910	2,499,250	-44,660
12	No of jobs > no of people in employment. (Row 8 minus row 12)	214, 090	91,750	-121,340
13	No of people in employment> no of employee jobs (Row 12- Row 6)	75,910	219,250	+143,340
14	No of economically active people> No of employee jobs. (Row 2 –row 6)	212,000	311,000	99,000
	*I have used the figures for JSA rather than those for the unemployed because the former figures are an actual number whereas the latter is an estimate made as a result of a statistical sampling exercise. ** This underestimates the number of economically active people: in 2013 there were 996,000 people over the age of 65 in work. It appears this figure is increasing because in Feb 2015 the figure was 1,114,000 (ONS 2015).			

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[15] DWP (2015) Jobseekers claimants http://tabulation-tool.dwp.gov.uk/100pc/jsa/ccdate/ccgor/a_carate_r_ccdate_c_ccgor.html. These figures are for February 2008 and 2013. The figures for jobs and the economically inactive relate to March 2008 and 2013. This data is published on different cycles, so I have been unable to obtain an exact calendar match. Given the small time difference, I have taken the liberty of treating them as being for the same period for these calculations. The evidence is that the percentage difference between the actual totals for March and February will be too small to undermine the arguments I will be making in this chapter.

[16] Nomis (2015) Scottish labour force.
https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/report.aspx#tabrespop

[17] Source: Nomis, https://momisweb.co.uk/reports/lmp/gov/201326593/report.aspx?town=Scotland. Downloaded on the 7/1/14
Source: Nomis, https://momisweb.co.uk/reports/lmp/gov/201326593/report.aspx?town=Scotland. Downloaded on the 7/1/14.

[18] Ibid

[19] Ibid

[20] Ibid

[21] The Scottish Government (2014) Local authority tables: Table 1.20a level and proportion of employees by sector (private, public and third) Scotland 2004-2013. http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables Downloaded on the 9/4/15.

[22] Ibid

[23] The Scottish Government (2014) Businesses in Scotland tables
https://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Corporate/Tables/TimeSeries Downloaded on the 25/8/14.

The figures above indicate the Scottish labour market, irrespective of the condition of the economy, has distinct supply and demand problems. Consequently, two more questions emerge that are both relevant to the efficacy of the UK government's welfare to work policies in addition to the one about the small rise in unemployment. Why are so many jobs left unfilled when there are large numbers of unemployed people looking for a job; and what does this mean for the employability of those individuals with a history of mental illness affected by these policies? The next section will now address the above three questions.

4.5 Explaining the small rise in unemployment during the recession.

The first question can be answered by considering the difference between being in employment and a job. Labour market statistical returns, including those made by the Office of National Statistics, report jobs on a full-time equivalent basis (ONS 2014). They do not take account of the fact that more than one worker can fill a post, which suggests the decline in the number of jobs, the increase in the size of the labour force and the rise in the numbers in paid employment could be reconciled if there has been an increase in part-time working. Figures from the Scottish Parliament (2014) for time-related underemployment confirm this has happened, for they show that in August 2013, 243,000 employees said they would work extra hours if they were available. A rise in underemployment of around a quarter since 2008 (Scottish Government 2016). If one adds this figure to that for the unemployed it can be argued there are almost 400,000 people, around 15% of working age people in Scotland, looking for work at the same time as there are 90,000 vacancies. This situation changes the question of why has there been such a small increase in unemployment as a result of the recession to why unemployment and underemployment exist when there are so many unfilled vacancies. The next two sections will look at this question, first from the perspective of neoclassicism, the new institutional economics and then the old institutional economics, its close relation stratification economics and the new economic sociology.

4.5.1 Neoclassical and new institutionalist understandings of the increase in unemployment and underemployment when there are large numbers of vacancies.

From a neoclassical perspective, the reason firms with part-time workers or unfilled vacancies are not employing full-time workers or hiring new employees is quite simple. All things being equal, workers can strike a balance between the disutility of work and the utility of leisure that makes it unprofitable for firms to hire them (Ehrenburg and Smith 2012). Changing this situation requires asking why workers can strike the balance they do. If the catalyst for this decision is private wealth or resources obtained from the market as a result of price competition, then there is nothing more to be said (Ehrenburg and Smith 2012). If they have acquired them as a result of the state, directly or indirectly, redistributing wealth in their favour, then the unemployment and underemployment are voluntary, economically inefficient and something that needs to be addressed (Ehrenburg and Smith 2012). In other words the state needs to turn away from redistributing resources and providing workers with rights towards incentivising people to compete for them by increasing the pain of being unemployed and making existing workers easier to dismiss and less costly to hire (Ehrenburg and Smith 2014) by, for example, weakening trade unions (Nickell 1997), making workers responsible for pensions arrangements and reducing the value of out of work benefits, making them less generous, more difficult to obtain and more focused on the labour market (Lazear 1990; Lazear, Shaw and Stanton 2016; Ehrenburg and Smith 2012; Waddell and Burton 2006a). Neoclassicists argue actions such as these will make it more likely the unemployed and underemployed will respond to market signals by developing the skills (Human Capital) employers want (Becker 1993), search for work until they find it (Stiglitz 1962) and, if there is no work available, move to places where it is more readily available (Becker 1971).

The assumptions of neoclassical economics about the utility of leisure and the disutility of work, its preference for private ordering, and its desire to promote economic efficiency are also attributes of the new institutional economics (Williamson 1975, 1980; 1985; 2007). So the new institutionalists are not averse to policies incentivising people to respond to market signals about price. However, their position on transaction costs enables them to offer labour contracts rendered inefficient by asset specificity, bounded rationality and cognitive idiosyncasies to provided an additional explanation for the co-

existence of unemployment, underemployment and numerous vacancies. In other words agent-principal problems.

The existence of unemployment when there are vacancies can be understood by reflecting on the idea that agent-principal problems require buyers of labour to protect themselves from harm. Doing this involves striking a balance between the costs incurred in using the market on a one to one and as and when required basis against those involved in creating a hierarchal organisation (Williamson 1975; 1980, 1985). After a decision has been made to create such an organisation and vacancies are created that are not project focused time-bound ones, it can be presumed the firm is looking for people to become members of what Williamson (1975; 1985) calls relationship teams. When trying to fill such vacancies, opportunism on the part of job seekers could lead the firm to make recruitment mistakes (Williamson 1975; 1985). Here, the conditions of employment of relationship team members, the difficulties involved in changing them and the lack of asset specificity of recruits could unsettle teams, disrupt production, and reduce profitability. Occasionally, fear of such problems may lead a firm to decide that it is more efficient to leave such vacancies unfilled, perhaps filling them later by using specialist recruitment agencies, internal promotion or even reorganising them out of existence.

As for the existence of underemployment, if one assumes the labour provided by members of relationship teams is firm-specific, then the firm will know these workers will be difficult to replace (Williamson 1975; 1985). Fear of losing these workers means a firm is likely to be reluctant to reduce their hours during a downturn unless it has no other option. Similarly, these workers will be aware they will struggle to find the same work, rewards and security elsewhere (Williamson 1975; 1985). Consequently, employers and employees will often prefer to maintain their existing relationships and wait for an upturn even when there are cheaper sources of labour and full-time employment opportunities available elsewhere.

4.5.2 Sociological, old institutional economics and stratification economics understandings of the increase in unemployment and underemployment when there are large numbers of vacancies.

It will be recalled from the literature review that adherents of the old institutional economics, the new economic sociology and stratification economics have been critical of the use of neoclassical theory to explain economic activity. They argue its approach ignores the reality that commercial activity is embedded in, regulated by and a regulator of personal relationships, social structures and group membership (Commons 1931; Zelizer 2007; Granovetter 1973; 1985; 1995a; Darity 2005; 2009a). In other words, they obfuscate the influence of identity and power on economic relationships.

Identity can be used to explain the increase in part-time working and the existence of unemployment when there are vacancies. Identities can foster shared beliefs, interests values and close physical proximity (Handy 1993; Darity 2005; 2009a; Johnson et al. 1999). By doing so, they can make risks and uncertainties appear more manageable and provide protection when things go wrong (Commons 1931; Zelizer 2007; Granovetter 1973; 1985; 1995a). It follows that the decisions of economic actors will be influenced by safety and status considerations, perhaps as much as or even more so than a desire for increased profits or higher wages. Because of this, employers may prefer to reduce people's hours rather than wield the axe when times are bad for fear it will undermine their ability to hold on to valued employees and recruit new ones when times are good (Ehrenburg and Smith 2012). Workers may decide to accept shorter hours because being in work carries more prestige than being unemployed and the possibility of more financially lucrative work elsewhere could be outweighed by the prospect of losing benefits such as security and the chance for promotion in the future (Ehrenburg and Smith 2012; Handy 1993). A desire for safety can also be used to explain the existence of vacancies when there is a surplus of labour. It suggests employers will be more inclined to employ people when personal experience or that of someone they trust indicates a job seeker is a fit with existing workplace actors. If this is the case, then it implies the trade in labour is two-tiered. On one level, as Zelizer (2007) argues, it is regulated by intimacy. On another one, it could be conducted in discrete markets where access and the nature of competition are influenced by factors such as class, identity, location and shared histories

(Granovetter 1985; 1995a; Darity 2005; 2009a). In both cases, reporting the existence of a vacancy to the authorities does not mean every appropriately qualified person will be able to compete for it. From this perspective, a job seeker's ability to find work cannot be reduced to questions of skills, flexibility and price.

Power can be used to explain the existence of underemployment and unemployment when there are a large number of vacancies. Skilled workers have greater freedom of movement and can be hard to replace. The power this gives them means they are more likely to have their requests to work part-time work accepted (Sweet et al. 2016). Possession of such power partly reconciles the co-existence of large numbers of unemployed and underemployed with significant numbers of full-time vacancies, but what about unskilled relatively powerless workers? To answer this question, it is worth revisiting the arguments of Jessop (1994; 1999; 2002) about the transformation of the Keynesian welfare state (KWF) into a Schumpeterian welfare state (SWS) by economic, political and social pressures. Unlike the KWF, which decommodify's labour and redistributes wealth, the SWS recommodifies labour by making new territories subject to market discipline through the promotion of competition, flexibility, innovation, and self-reliance (Jessop 1999; 2002). Facilitating this paradigm shift is the removal or weakening of employee protection rights, the marginalisation of trade unions and the implementation of policies that promote employability by cutting out of work benefits, making access to them more difficult to obtain, and subjecting rights to a willingness to work test (Jessop 1994; 1999; 2002). The SWS increases the supply of unskilled labour to the market and reduces the ability of unskilled workers to resist change (Bambra 2009).

The thinking behind this move from the KWS to the SWS is it will encourage entrepreneurs to build profitable businesses because it gives them more room to respond to market signals by cutting wages, reducing hours, making workers unemployed or hiring them on a gig basis (Bambra 2009; Di Stefano 2016). Neoclassicists can counter this by arguing that the ability of businesses to act in this way is limited because their workers (and their unemployed peers for that matter) can choose to develop the skills required to compete for the vacant full-time posts. It is an argument that only stands up from the perspective of the utility disutility model of leisure and work. Departing from it

allows the move from the KWS to the SWS to be seen as an attempt to prioritise the needs of employers by lowering benefits and making them more difficult to obtain so as to make it potentially catastrophic for workers to take risks (Hagfors and Kajanoja 2007). Consequently, they are more likely to stay where they are, because being, mistreated in work will often be better than being out of work.

4.5.3 The implications of the alternative economic and sociological explanations for the unemployment and underemployment produced by the recession.

The increase in underemployment as a result of the recession suggests the challenge facing people with a history of mental health illness in finding a job will change as the economy picks up. At the moment they will have to persuade employers to purchase their labour rather than buy it from existing employees. People who are known quantities that may be willing to be flexible about the terms and conditions of their employment if it means they can stay in a job[24]. When things start to pick up, they will have to convince employers to hire them rather than offer the extra work to the same group of people. Furthermore when things improve to the point where the existing number of employees cannot meet the demand for the goods and services they produce they will have to persuade them that they are a better source of labour than unemployed people with a better health record a more recent work history and more up to date skills.

A disproportionate number of people with a history of severe and enduring mental illness live in the former industrial areas of the country. These areas have high numbers of people in long-term unemployment and rely heavily on a shrinking public sector for jobs (Forster 2015; Beatty and Fothergill 2010; 2016). Neoclassicists argue increasing the supply of labour and removing protection from those in work will increase competition, reduce inflationary pressures and make it profitable for employers to hire more workers (Layard 2001). In this light, the passing of the Equality Act 2010, and the implementation of the 'Access to Work', 'Work Choice', 'See Me' initiatives can be seen as an attempt to ensure that the labour from people disabled by mental illness will be judged solely on the basis of price competition. Both schools of institutionalism, reluctantly in the case of the

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[24] This has led the Conservative MP for Shipley Philip Davies to argue that disabled people should be paid less than the minimum wage. See http://www.bbc.co.uk/blogs/ouch/2011/06/minimum_wage_a_barrier_to_empl.html Downloaded on the 12/1/11.

new institutional economics, and the new economic sociology accept non-economic institutions[25], influence economic outcomes. They accept uncertainty means institutions and multiple markets are a precondition for trade, which means that labour can never be judged on merit alone. At a macro level, there is merit in both positions given that during the boom there were more vacancies than there were suppliers of labour and there were still people out of work while in the aftermath of the bust employers appeared to eschew cheaper suppliers of labour in favour of existing ones. As we have seen, the UK government adopted the neoclassical position. The next section will discuss the changes this has led them to make to the benefits system, the actual and potential effects of this change on the supply of labour to the economy and the economy's ability to absorb them.

4.6 The changes to the benefits system and their effect on the labour supply.

The changes to the benefits system aim to reduce the on flows and increase the off flows from disability benefits. 'Employment Support Allowance' (ESA) was introduced in 2008 on a rolling basis to replace 'Incapacity Benefit' (IB), 'Income Support with Disability Premium' (IS+DP) and 'Severe Disability Allowance' (SDA). All new applicants for disability benefits will have their eligibility for ESA assessed while the eligibility of existing benefit claimants will be evaluated over time. It will be recalled from 'Chapter One' that the on and off flows to ESA are regulated by Work Capability Assessments (WCA), which are carried out by private sector contractors. It will also be remembered this assessment splits applicants for ESA into three groups: the Support Group (SG), who will not be compelled to look for employment; the Work Related Activity Group (WRAG), who will be expected to engage in work-related activity under threat of sanction; and JSA who would be scheduled to look for work immediately.

Making a comparison between March 2008 and March 2013 is problematic. The WCA's collating of disability benefit claimants into SG, WRAG and JSA did not happen in March 2008. Table 3 below, prepares the ground for assessing what would have happened if they did. For the sake of simplicity, the figures for IB, IS+DP and SDA will

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[25] Williamson argues that in the long term competition will erode the influence of non-economic institutions on economic activity. See Williamson, O.E (2000). The new institutional economics: taking stock looking ahead. Journal of economic literature 38, 595-613.

be gathered under the heading 'Old Incapacity Benefits' and claimants for ESA will be collected under the row 'ESA claimants'.

Table 3: Changes in the numbers of people in receipt of incapacity benefit by age mental health and the length of their claims between February 2008 and February 2013[26]*.

		Incapacity related benefits claims (IB)	Incapacity related benefits claims (Mental Health)
Feb 2008*	Old Incapacity Benefits	300,000	135,100
Feb 2013	Old Incapacity Benefits	95,450	42,470
	ESA	177,650	85,930
	Total	273,100	128,400
Change in claims for all incapacity benefits		-26,900	-6,700
*Unlike employment statistics, which are issued in March, benefit claimant statistics are issued in February			

Given the role of the WCA in separating applicants for ESA into support group ESA, Work related ESA and JSA, it is reasonable to look upon people that have been moved on to WRAG or JSA after their WCA as 'hidden unemployed', people whose joblessness is not recorded by the unemployment figures[27]. In the past, disabled people were identified as a hidden reservoir of labour when demand outstripped supply. Now it is taking place when supply exceeds demand. The total 'hidden unemployment' for February 2013 emerges from the figures in Table 4 below.

Table 4: Numbers of people in each category of an ESA claim in February 2013[28].

	The total numbers of people in each phase of phase of ESA by Feb 2013					
	Total Assessed and under assessment	Currently under Assessment	Total assessment completed	Work Related Activity Group	Support Group	Move to JSA
All incapacities	177, 650	50,600	127,100	59,500	59,810	7,740
Mental health	85,930	24,920	61,010	31,000	26,990	3,020

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[26] Source: DWP (2014) http://tabulationtool.dwep.gov.uk/100pc/tabtool/html. Downloaded on the 5/7/2014

[27] That the UK government takes this view is reinforced by the announcement by the Chancellor of the Exchequer that from April 2017 WRAG ESA will be paid at the same rate as JSA. http://www.disabilitynewsservice.com/budget-osborne-scraps-wrag-as-part-of-13-billion-a-year-benefit-cuts/ Downloaded on the 17/9/15.

[28] Nomis (2014). https://www.nomisweb.co.uk/query/construct/submit.asp?forward=yes&menuopt=201&subcomp=. Downloaded on the 7/1/2015.

The figures in Table 4 contain the results of every WCA carried out during the existence of ESA. From them, we can identify ratios for the WRAG, SG and JSA groups, which are 0.47, 0.47 and 0.06 for all incapacities and 0.51, 0.44 and 0.05 for ones related to mental health. By applying these ratios to the numbers receiving the old incapacity benefits awaiting a WCA and those currently being assessed from tables 3 and 4 we can establish the total of 'hidden unemployment' for February 2013. Now we have reasonable estimates for the total numbers of existing claimants who will eventually be collated into the SG, WRAG and JSA groups. If we add the estimates for WRAG and JSA to the equivalent figures in Table 4, we have a plausible figure for the total 'hidden unemployment'. If it is assumed these ratios are constant, and we apply them to the figures for February 2008 for all claimants of the old incapacity benefits and those claiming them for mental health reasons then a reasonable estimate can be made of how many claimants of incapacity benefits would have been collated into WRAG and JSA by the WCA if it and ESA had existed then. If it is assumed the differences in figures for February and March in 2008 and 2013 are marginal, then a comparison can be made between the figures for 2008 and 2013 for recorded and 'actual' disabled unemployment for all disabled people and those disabled by mental health problems. This comparison is made in Table 5 below.

The apparent fall in the numbers of 'hidden unemployment' can be explained by the rise in JSA claimants JSA and people moving out of the system altogether. What is interesting about this fall is that over 80% of it is accounted for by people with mental health problems. It suggests people claiming disability benefits because of mental health difficulties are being targeted by ESA administrators for a move into the labour market. Support for this suggestion is provided by research from Mind and the Independent newspaper (2015)[29] and a freedom of information request made by the website 'Benefits and Work' in 2013[30]. The former found that ESA sanctions affecting them rose by 668% over four years, while the latter revealed that they account for 60% of all ESA sanctions.

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[29] http://www.independent.co.uk/news/uk/politics/benefit-sanctions-against-people-with-mental-health-problems-up-by-600-per-cent-a6731971.html Downloaded on the 3/2/ 16.
[30] http://www.benefitsandwork.co.uk/news/2717-dwp-target-mental-health-claimants-for-esa-sanctions Downloaded on the 3/2/16.

It would appear that there are a disproportionately high number of people with a history of mental health problems moving off benefits and into the labour market.

Table 5: Unemployment figures including the 'Hidden Disabled Unemployed for March 2008 and March 2013[31].

		March 2008					March 2013					Change to U/E between 2008 and 2013
1	Benefit Category	JSA	WRAG (Est.)	Moved to JSA (Est.)	Hidden disabled U/E* (Est.)	'Total U/E'** (Est.)	JSA***	WRAG	Moved to JSA	Hidden disabled U/E	Total U/E	
2	Recorded U/E	75,300	141,000	18,000	159,000	234,300	143,600	133,900	9,900	143,800	277,500	+43,000
3	Hidden U/E	■	141,000	18,000	159,000	159,000	■	133,900	9,900	143,800	143,800	-15,200
4	Hidden U/E (Mental Health)	■	68,900	6,800	75,700	75,700	■	56,600	6,400	63,000	63,000	-12,700
	*U/E is an abbreviation for unemployment **'Moved to JSA' total is added to figures for March 2008 but not to March 2013 as JSA figures for 2013 already include Moved to JSA figures. ***JSA figures for 2013 will include the 3,020 people that have already had their WCA											

4.7 The changes to the Scottish labour market created by the recession and the WCA.

The changes to the Scottish labour market caused by the recession and changes to the benefits system are revealed in Table 6 below, which was created by adding the figures from Table 5 and Table 2. They indicate that if the changes to the benefits system had been in place at the height of the last economic boom the supply of labour would have outstripped the number of employee jobs by 212,000 but if one includes the figures for the 'hidden unemployed' of 159,000 at that time this figure increases to 371,000. Even if we confine ourselves to the hidden unemployed who have a history of mental illness, the supply of labour would have outstripped the number of available jobs by 288,000. These figures overestimate the excess supply of labour as some people would have become self-employed, but probably not by much. There are two reasons for saying this: first, many people on disability benefits for a considerable period are unlikely to have the up to date skills or contacts necessary to make this type of work a realistic option and second, the

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[31] In making these calculations no allowance has been made for the possibility that the 'hidden unemployed' may decide to become self-employed.

increase in the number of self-employment between 2008 and 2013 was only 24,000. Disturbingly, these figures indicate that if ESA had been in place at the height of the boom, it could have increased the supply of labour beyond what the economy could then have absorbed.

Table 6: The Scottish labour market between March 2008 and March 2013[32]

		March 2008				March 2013				Change to U/E between 2008 and 2013
1	Benefit Category	JSA	WRAG (Est.)	Moved to JSA** (Est.)	Total U/E** (Est.)	JSA***	WRAG	Moved to JSA	Total U/E	
2	Recorded U/E*	75,300	141,000	18,000	234,300	143,600	133,900	9,900	277,500	+43,000
3	Hidden U/E		141,000	18,000	159,000		133,900	9,900	143,800	-15,200
4	Hidden U/E (Mental Health)		68,900	6,800	75,700		56,600	6,400	63,000	-12,700
5	Jobs				2,758,000				2,591,000	-167,000
6	Employee jobs				2,468,000				2,280,000	-188,000
7	Self-employed jobs				271,000				295,000	24,000
8	Private sector employment				1,768,700				1,762,300	-6,400
9	Economically active				2,680,000				2,753,000	+73,000
10	Total supply of labour > demand (row 9-row 5)				-78,000				162,000	+240,000
11	Total supply of labour >employee jobs (row 9-row 6)				212,000				473,000	+261,000
12	Total supply labour plus hidden U/E > availability of employees (row 11+row 3)>(row 6)				371,000				616,800	+245,000
*U/E is an abbreviation for unemployment **'Moved to JSA' total is added to figures for March 2008 but not to March 2013 as JSA figures for 2013 already include Moved to JSA figures. ***JSA figures for 2013 will include the 3,020 people that have already had their WCA.										

Unsurprisingly, the fallout from the financial crisis of 2008 means the challenge facing the UK government's welfare to work policies is greater in March 2013 than it would have been if they had been in place in March 2008. The figures in table 6 show the extent of the challenge. In March 2013 the supply of labour outstripped the number of employee jobs by 473,000. However, once the 143,800 'hidden unemployed' are added, the figure for the supply of labour increases to 616,000. To absorb them, the number of jobs in the

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[32] Figures for benefits issued in February have been added to figures for employment issued in March for illustrative purposes. The evidence indicates that the variations in figures will not invalidate them being used for this purpose.

Scottish economy would have to grow by a quarter. But if this burden is to be borne by the private sector alone, then the number of jobs will have to increase by a third even if it is assumed that public sector employment remains constant.

If we presume either scenario is unlikely, then the indications are that employers will be able to increase production without increasing the number of employees they have; and that when this source of labour is exhausted they will have access to up to a quarter of a million workers with a recent work history before they need to consider hiring any of the hidden unemployed the government is moving into the labour market. Given the evidence shows people disabled by mental illness suffer higher rates of unemployment than other disabled groups (Social Exclusion Unit 2004) the indications are many of them will be at the back of the queue.

4.8 Conclusion.

From the above, it is clear policymakers, and their economic advisers failed to foresee the financial crash of 2008. Neoclassical beliefs about deregulation, globalisation, money, private credit and debt and the nature of banks blinded them to the fact that the economic boom of the late nineties and early to mid-noughties was the product of a debt-fuelled bubble.

When this bubble burst, western governments were faced with the deepest recession since the nineteen thirties. In the UK, unemployment rose less than might have been expected. However this disguised a considerable drop in demand for labour. In Scotland underemployment rose sharply and there was a large fall in the number of vacancies. The nature of these changes can be gauged from government statistics showing that in Scotland the demand for labour in 2013 was still less than it was in 2008. Within economics, the recession fuelled debates between adherents and critics of neoclassicism about its cause. The former, ignoring their failure to predict the crash, the role of private individuals in setting interest rates and the power of banks to create money in the pursuit of profit, blamed an inappropriate use of monetary policy by the US government for giving a shock to the global economic system. While many in the latter camp pointed to

Minsky's work on financial deregulation, which charted the course of events decades before they happened, to justify blaming the market for the debacle.

The last Labour government responded to thse debates by continuing with its supply-side policies. Using borrowing and 'Quantitative Easing' it prevented the financial services industry from collapsing and helped the banks to continue lending, albeit less freely than before. When the Coalition took power after the general election of 2010, it argued that a sustainable recovery required the deficit, much of which was created by the support given to the banks, to be reduced, the freedom of the private sector to be increased and public spending to move further away from the provision of services towards supporting the competitive market to distribute resources.

Taking this tack allowed the coalition government to continue with its predecessor's support for the financial sector as it cut public services and privatised the provision of many of the remaining ones. As part of this process, it implemented market orientated policies aimed at increasing the pressure on people disabled by their mental health to move off benefits and into the labour market, which was first exerted when there was a shortage of labour. Given the decline in importance of manufacturing to the UK economy of manufacturing and the coalition government's approach to economic management, the indications are that those people who succumb to this pressure will have to focus their job search activities on private businesses operating in the service sector.

The challenge facing the welfare to work policies of the UK government can be seen by reflecting on the environment where they are being implemented. The evidence shows disproportionate numbers of people disabled by mental illness live in post-industrial areas of the country, like Scotland, which are heavily reliant on the public sector for jobs and have higher than normal rates of unemployment. However, the government is reducing public sector employment. Furthermore, high unemployment has made people in work more willing to accept being underemployed. It is a scenario that suggests private sector employers will have access to unemployed and underemployed workers with better work histories, more up to date job-specific skills and better health records than most of the people who have a history of mental illness that will be moving off disability benefits.

It can be argued a growing economy will eventually solve this problem, but this raises the supplementary questions, how far will it have to grow to do so and is such growth likely? One way of answering this is to look at the effects of changes to the benefits system to the supply of labour. These changes are designed to reduce on flows and increase off flows from disability benefits without appearing to cause much of an increase in the unemployment figures. Furthermore, they seem to be being implemented in a way that targets people with a history of mental illness. It seems that if the private sector is to absorb the numbers of disabled people who will be moving into the labour market, it will have to grow by a third before it mops up those job seekers that have been disabled by their mental health. As to the likelihood of such growth, the evidence suggests that if these benefit changes had been in place at the height of the last boom, they would have moved the economy from a situation where it had a shortage of labour to one where it had a considerable surplus.

Nevertheless, private sector employers have hired significant numbers of people with a history of mental illness, including many with severe and enduring conditions, before, during and after the last recession (Mechanic et al. 2002; Lelliot 2008; Henderson et al. 2013). Given the alternative suppliers of labour, they have access to it is unclear why are they behaving in this way? One explanation is that some job seekers with a history of mental illness have been able to respond to market signals; another is that they have been fortunate enough to benefit from the way multiple identities, personal relationships, social networks and economic institutions regulate the trade in labour. If it is the former then the UK governments, welfare to work policies, which are aimed at increasing competition in the labour market, could improve, at least in relative terms, the ability of jobless people with a history of mental illness to find work. If it is the latter, then these policies are less likely to be effective. Identifying which of the above scenarios best represents what is happening in the Scottish labour market is essential if the effect of these policies on the employability of jobless people disabled by mental illness is to be determined. To do this most of the rest of this thesis will discuss evidence from employers about their understanding of mental illness their attitudes towards people who have been disabled by mental illness and the labour market. The next chapter will prepare

the ground for this by outlining the methodological approach that will be used to gather and analyse this evidence.

Chapter Five:

Researching the attitudes of employers to hiring people with a history of mental illness.

5.1 Introduction.

'Chapter One' described how the move from the asylum to the community eventually led the UK government to identify paid employment as evidence of recovery in and recovery from mental illness. It also introduced the policies the UK government is using to pursue this vision of recovery. Following this, 'Chapter two' considered some of the debates between neoclassicism, both schools of institutionalism, stratification economics and the new economic sociology about the influence of agency and structure on employment opportunities. Then 'Chapter Three' used these lines of economic thought to reflect upon the economic environment where the UK Governments welfare to work policies are being implemented. In the course of these discussions, it became evident that belief systems and values inform how problems are understood and addressed.

One result of this is the efficacy of the UK government's welfare to work policies is open to question. Another is when social researchers investigate disputed areas, they need to be transparent about their approach to the subject, what generated their interest; and why they investigated it in the manner they did. This chapter will provide this clarity in eleven stages. It will introduce and justify the methodological approach used in this investigation; define the research subjects; look at the challenges involved in researching employers; reflect on my position regarding them and people with a history of mental illness before moving on to discuss the issues of research design; sampling strategy; recruitment process; research ethics; research quality; data collection and data analysis.

5.2 The methodological approach to the research question.

In 'Chapter Two', it was shown that at the extremes there are two beliefs about mental illness. At one, it is seen as a biological phenomenon: a body's reaction to a pathogen or physical trauma. At the other, it is seen as a social construction. Criticisms of psychiatry made by social constructionists identify many of its diagnostic categories as myths whose

existence is unsupported by physical evidence (Szass 1987). Biological determinists argue improvements in analytical techniques and technology will enable investigations into mental illness to provide continually improving descriptions of reality (Rogers and Pilgrim 2012). Social constructionists argue mental illnesses are by-products of the activities of mental health professionals. In other words, psychiatric labels bring into play social pressures that cause labelled people to manifest the behaviour associated with those labels (Scheff 1984). Because this line of thinking renders the concept of mental illness problematic, social constructionists focus their efforts on investigating the social construction of mental illness in a particular time and place (Rogers and Pilgrim 2012).

The discussion in 'Chapter Two' resonates with that in 'Chapter One', for it showed understandings of economic activity to have two antipodes. Gathered round one are neoclassicists, who see the economy as a closed system: a static mechanical structure amenable to mathematical modelling, where the outcomes of price competition for scarce resources are the product of inputs made by rational utility maximising individuals (Ehrenburg and Smith 2012). As we move from one pole to the other, we meet the new institutional economics. It leans heavily on neoclassical theory to argue institutions are an economically efficient response to the existence of transaction costs (Williamson 1975; 2000; 2005). Finally, at the other antipode we find the new economic sociologists, who take a discursive approach to analysis. They contend economic activity is embedded in a network of social relationships and that the institutions that regulate such activity are the product of those relationships with their myriad of identities, group memberships and imbalances of power (Granovetter 1985; 1995a).

The review in 'Chapter Three' of the financial crash of 2008 and its aftermath showed four things. The First is that as well as being a facilitator of exchange money is also a store of value, a means of account and a source of power. The second is that in a financialised economy rational utility maximising behaviour by private individuals at the micro level can destabilise an economy at the macro level. The third is that feedback loops between the macro and macro levels of an economy can result in the flow of money seizing up, economic activity falling abruptly and unemployment rising sharply. Finally, it showed that an economist called Hyman Minsky, whose ideas were unfashionable

when he was alive, had decades earlier written that the multifaceted nature of money meant increasing the financialisation of the economy would make such events inevitable and more frequent.

One can adopt a medical or social constructionist position on mental illness. Similarly, it is possible to do likewise with the economy with respect to neoclassicism, the new institutionalism, or the new economic sociology. But taking a monotheistic approach to either topic is problematic. Medicine, neoclassicism and the new institutional economics offer static under socialised understandings of mental distress and economic activity (Rogers and Pilgrim 2012; Granovetter 1985; 2005). Similarly, social constructionism offers an evolutionary over socialised idealisation of mental illness (Rogers and Pilgrim 2012) as does the new economic sociology with respect to the economy (Blair 2012). However, individually, they all capture various aspects of reality. In the case of mental illness, medicine has shown infections such as syphilis and the plaque on the brain that is evidence of Alzheimer's can cause peoples' behaviour to depart from social norms (Rogers and Pilgrim 2012), while sociology has demonstrated that by labelling someone mentally ill a medical practitioner can induce in the person being labelled the behaviour associated with the label (Scott 1969; Scheff 1984) and lead to normal reactions to new environments being seen as evidence of mental illness (Rosenham 1973; Rogers and Pilgrim 2012). As for the economy, on some occasions businesses behave in ways that are consistent with neoclassical and new institutional thinking for, as Blair (2012) has shown, competitive pressures can lead them to terminate longstanding social relationships with workers and communities by moving production to more economically benign locations. However, on other occasions employers hire people they have become intimate with (Zelizer 2007) and people who have become part of the social circles they, their friends and their workers inhabit (Granovetter 1985; 1995a) even when the market signals more profitable sources of labour are available.

If this study were to take an orthodox approach to mental illness and the economy, it would mean abandoning the insights into these topics offered by sociology. Similarly using sociology as my sole approach would mean doing likewise with those offered by medicine, neoclassicism and the new institutional economics. And this is before any

attempt is made to take account of the relevance of Minsky's thinking about rational behaviour producing outcomes it would be irrational to desire to the financial crash of 2008 and its aftermath. Taken together these bodies of work indicate there are times when economic outcomes can be reduced to cause and effect and times when they cannot. The heterodox approach of the old institutionalism, its close relation stratification economics and Zelizer's later work enables a researcher to draw on the insights into economic activity offered by neoclassicism, the new institutionalism and sociology because they allow reality to be viewed as laminated and the relationships between strata as unsynchronised and transcendental. Such a view of reality also opens the door to utilising the insights into mental distress offered by medicine and sociology. For this reason, I decided to tackle the research question by taking a heterodox approach to mental illness and economic activity. Yoking together the different biological, economic and sociological perspectives on mental illness and the economy means the conduct of this research will have to prioritise reality over theory, accept reality can be multifaceted, avoid making presumptions about specific discourses or the values and practices they produce and accept the possibility that evolutionary change can generate what appear to be causal relationships and transcendent outcomes.

These demands led me to embrace critical realism. An approach to research that differentiates between ontology, epistemology and axiology in a way that prioritises ontology over epistemology and epistemology over axiology. Here, ontology is realist, structured stratified and transcendental, epistemology is eclectic and interpretive, and axiology can emancipate or enslave (Bhaskar 1989; 2008; Easton 2010). Its fundamental tenets are: reality is independent of our knowledge of it and knowledge is socially constructed. Critical realists view the world is a place where things tend to take courses that are vulnerable to change as a result of external influences, which can be physical or social. As a result, they believe investigations into any phenomenon require critical evaluations of their cause and meanings (Sayer 2000). In essence, critical realism views our understanding of reality as a social construction that can influence and be influenced by an objective continually evolving external reality (Easton 2010).

Critical realists view the world as an open system with three transcendent levels: the empirical, what is being observed; the actual, what is happening; and the real, which is the cause of what is happening (Bhaskar 1989; 2008). Here, the empirical emerges from the actual and the actual from the real, where each emergent phenomenon represents a transformation of what appears as causal factors into something that cannot be reduced to the sum of its parts. For example, combinations of atoms form a variety of elements; these elements can be arranged in ways that give rise to compounds that have characteristics different from their components, and these compounds can combine in ways that give rise to sentience, acts of agency, the creation of social structures, engagement in economic activity and the creation of different stories about how this happens, which in turn can result in events that change the factors that created them (Bhaskar 2008; Collier 1994).

They also look upon reality as a place where unknown or unexpected influences can cancel each other out or cause the real, the actual and the empirical to move out of phase with each other (Collier 1994). As a result, they believe the variables used to describe a phenomenon will often be able to register changes without being able to explain them definitively (Sayer 2000). Consequently, they look upon the relationship between cause and effect in terms of tendency: contingent rather than inevitable. It is a view of the world that means causation is easily disputed. For critical realists, such disputes cannot be resolved unless there is a reason to believe studying a phenomenon will show it has the power to catalyse events or display what they call demi-regularities[33]. Adopting a critical realist approach to the research question makes two demands. The first is that the wording of the question needs to locate the research topic in a time and place in a way that recognises the danger of logical fallacies such as after therefore because. So instead of asking 'Will the UK government's welfare to work policies increase the demand from private sector employers in Scotland for jobless labour from jobless people with a history of mental illness'; it will be worded 'After the financial crash of 2008, how will the UK's welfare to work policies affect the attitude of Scottish private sector employers towards

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[33] Critical realists often use the phrase demi-regularities to describe what others call causal relationships in a simultaneous attempt to reject the ideas of universal laws and patternless chaos. It was first use in Lawson, T. (1997). Economics and reality. London: Routledge.

hiring jobless people who have been disabled by mental illness?' The second is that there is a need to identify and define the entities being researched, which is what will be done in the next section.

5.3 Defining the research subjects.

For this study, five things need to be defined: employer, employee, job seeker; the employer-employee relationship, a person with a history of mental illness and a person disabled by mental illness. The interrelated nature of the first four variables means they will be described in the course of defining an employer. Making the employer the focus of the study makes it relatively straightforward to define a person with a history of mental illness and a person disabled by mental illness. The reason for this is that the debates in the disability literature about the validity and reliability of the concept of illness or whether disabilities are a social construct or personal tragedy no longer occupy centre stage. Instead, they become reference points with which to compare and contrast how government policies influence employers' attitudes towards people who have been diagnosed as mentally ill. Consequently, this study will define a person with a history of mental illness as someone who has, at some point in time, been diagnosed with a mental illness. It follows someone disabled by mental illness is a person whose diagnosis has made them eligible for disability benefits.

The literature on employability and mental illness provides no help in defining an employer. All the Equality Act 2010 and the statutory code of practice accompanying this legislation have to offer is that the Act imposes duties on people such as partners in a business or agencies supplying labour to a third party (EHCR 2011, paragraph 1.23 page 26) who are not legally employers. Surprisingly, other employment-related statutes and their supporting documents do not provide much help here either. The Employee Rights Act 1996 (ERA); The Trade Unions and Labour Relations (Consolidation) Act 1992 (TULRA(C); the Working Time Regulations 1998 (WTR); The National Minimum Wage Act 1998 (NMWA); and the Social Security (Contributions) (Amendment No 5) Regulations 2002 (SS(C) (A) R) all provide multiple definitions of the term employer. The ERA section 230(4) and NMWA section 54(4), states an 'employer, in relation to an employee or worker is defined as the person by whom the employee or worker is (or

when the employment has ceased, was) employed'. TULRA(C) (1992) provides two different definitions. Section 295 states an employer is 'the person by whom the employee is (or where the employment has ceased was) employed', while section 296 defines the employer as 'a person for whom one or more workers works, or have worked or normally work or seek to work'. Furthermore, the working time regulations state an 'employer is, in relation to a worker, the person by whom the employee or worker is (or where the employment has ceased, was) employed'.

Some clarity is provided by turning to the common law[34], specifically Stevenson, Jordan and Harrison v MacDonald and Evans (1952) 1 TLR 101; O'Kelly V Trusthouse Forte plc (1983) ICR 728; Ready Mixed Concrete v Minister of Pensions and National Insurance (1967) 2QB 497; Market Investigations v Minister of Social Security (1969) 2QB 173 and Carmichael v National Power plc (1999) UKHL 47. These cases describe an employer-employee relationship as a contractual one, which creates, what the law archaically calls a 'master-servant' relationship between a buyer of labour, who when terms are agreed becomes the master and the seller of labour who then becomes the servant. It follows that the definition of the phrase job seeker is someone who wishes to enter into a master-servant relationship and that the definition of employer hinges on the question, what is a servant?

The answer to this question depends on whether the contract of employment is a contract of service or a contract for services. Legally, unless a statute specifically says otherwise, for someone to be another person's employer, there must be a contract of service. Such a contract only exists if the answer is yes to all of the following questions: is there a one to one contract, explicit or implied, between a purchaser and supplier of labour; does it oblige the purchaser to provide the supplier with work or absorb the costs of not doing so; is there an obligation for the supplier of labour to do the work themselves and does it demand that the purchaser of labour supervise how the seller of labour performs their work (Gov.UK 2015).

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[34] Many of these cases are English. However the House of Lords is the last civil court of appeal in Scots law, so these cases are highly influential.

However, the diversity amongst employers means that, for practical purposes, there is a need to finesse further the description of an employer as someone who enters into a contract of service with an employee. The first part of this process is aided by referring to the Companies Act 2006. Sections 382 and 465 define companies as small and medium employers as follows: a small sized employer is one who has less than 50 employees; a medium-sized employer is one with more than fifty but less than 250 employees. The Act does not explicitly define a large employer, but it can be taken to be a business with more than 250 employees[35]. These boundaries give us a framework for contextualising and judging the recruitment practices of companies with access to vastly different resources and levels of expertise. The refining process continues by distinguishing between a company and the person who makes the hiring decision on its behalf. The above figures make this necessary because they show that even in small businesses the authority to make a hiring decision will be delegated to employees. It is at this point that the definition of an employer that will be used in this study emerges: it is someone who has the authority, or who has been delegated the authority, to agree on a contract of service between a business and a job seeker.

The voluntary ceding of authority to employees to agree on contracts of employment with job seekers begs the question, how do they use this delegated power? Unpacking this question requires reflection on those factors that shape a firm's culture, such as size, internal structure, the beliefs of senior decision makers, the geographic spread of its operations, whether its focus is on services or manufacturing, and the influence of precedent on the ability of managers to control the balance subordinates strike between the use of formal policies, procedures and lines of communication and custom and practice (Schein 1992; 1996; 1999; Handy 1993). A firms culture will shape the freedom of managers in different firms or even different parts of the same firm to determine the why's, when's, how's and who's of recruitment. The owner of a family businesses might create a vacancy for a child independent of commercial pressures, the owners of small businesses may prefer to use their or their employees social and professional networks to

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[35] These boundaries have recently been confirmed by the European Commission. See European Commission (2015). What is an SME? http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm downloaded on the 13/5/2015.

fill a vacancy instead of advertising it, firms needing someone with hard to locate skills or large number of workers at short notice could lead to direct engagement with the labour market or via recruitment agencies, larger firms operating in different geographic locations might delegate to their managers the authority to align hiring practices with local laws and customs. All of which takes us back to critical realism, because it can now be seen that biology, institutions, mutual obligations, power and precedent are factors operating at the deep stratum of reality, which influence not just the making of recruitment decisions in the real world but how they are seen (Fleetwood 2014).

5.4 Researching employers.

The literature on the employability of people with a history of severe and enduring mental illness has concentrated on trying to identify and understand the experiences of job seekers (Hayward and Bright 1997; Clark et al. 2010; Riddell et al. 2005; Sharac et al. 2010). As a result, it is not much help in identifying and meeting the distinctive challenges posed by researching the beliefs, attitudes and experiences of employers. For this, it is necessary to turn to the literature on researching elites. At first, glance relying on this body of work is vulnerable to the attack that while it is reasonable to identify the director of a multinational company as a member of an elite group doing so with the owner of a small business employing one or two people is not. As we shall see the literature on elites and its perspective on power makes it easy to rebuff such criticism.

In this body of work, elites are described as people with 'proximity to power' (Lilleker 2003 pg 207) or research subjects who have more power than the researcher (Burnham et al. 2004 pg 205). It views the possession of power as being more than the possession of a title because people can gain and lose these all the time and still wield power (Plesner 2011). Instead, it is seen as the ability to exert influence, by using personal knowledge, position, and social networks to create barriers that divide people into different groups (Harvey 2011). Individuals with this capacity are clustered within every stratum of society (Shenton and Hayter 2004; Welch et al. 2002 Woods 1998). Employers use it to decide which outsider becomes an insider: which jobless person will become an employee, and which researcher will be granted access to the information they use to

make this decision. With this in mind, it would be fair to describe people working in businesses of every size who have the power to hire staff as being members of elite groups.

Although sociology regards understanding power as the key to unpacking social processes, it has spent relatively little time researching the powerful (Williams 1989; Neal 1995; Gilding 2010). Over forty years ago, sociology was scathingly described as the study of 'nuts, sluts and perverts' (Liazos 1972 pg 103). In the same year, Nader argued there was a need for social scientists to study up as well as study down because people need to be aware of the motives of those who shape attitudes and control institutional structures. More than twenty years later there was still very little research into these groups (Neal 1995). By 2010 Gilding had found that although this situation had improved slightly, the work that had been done was over-reliant on secondary sources, which were created for purposes other than research, such as corporate records, the business press and government inquiries.

Sociologists offer four explanations for their failure to heed Nader's call: funding, motivation, defeatism and fear. There are those who have pointed out that most research is paid for by the powerful and is conducted in ways that pursue their interests by identifying the powerless as a problem (Goldberg 1992). Some feel the role of sociology should be to side with the oppressed and that this requires concentrating on their experience and understanding of oppression (Oliver 1992; Barnes 1996). Others find fault with their colleagues, accusing them of being defeatist (Mungham and Thomas (1981). Lastly, there some who believe their peers fear the reversal of the power relationship that usually exists between themselves and the people they research (Hunter 1995); in effect they fear engaging with research subjects with the ability to influence the direction of a study, bring it to a halt, make life difficult for the researcher (Williams 1989), or create feelings of indebtedness in them (Herod 1999). No matter the explanation, two questions need to be answered: how do you get access to them and how do you behave once access is gained?

The barriers erected by powerful people give them a degree of control over the information circulated about them (Mikecz 2012). If they are to participate in research, they need to be persuaded to surrender some of this. For this to happen, the researcher has to convince them that doing so will be worthwhile, enjoyable or at the very least a harmless distraction (Walford 2011). There appear to be three approaches to doing this: pay more attention than usual to issues of organisation, preparation, protocol and presentation (Gilding 2010); exploit pre-existing social networks (Walford 2011); or if all else fails, get your foot in the door by being be economical with the truth (Ostrander1995; Welch et al 2002).

The idea the ethical approach of some researchers depends on who they are researching is reinforced by evidence about how research into elite groups has been conducted. Some continue to focus on the issues of preparation, protocol and presentation highlighted by Gilding. Others appear to be more cynical. Their starting point is that the powerful will only participate in research in pursuit of a goal and they will lie if this helps them achieve it (Morris 2009). For them, this appears to justify researchers being disrespectful to their research subjects if it gains them access to data that might otherwise remain uncovered. Examples of such behaviour are making false claims about neutrality and empathy (Welch et al. 2002), stretching the rules of etiquette (Ostrander 1995) and only gradually revealing how much they know to encourage indiscretions (Pollit et al. 1990). It does not appear to have concerned the researchers who confessed to behaving in these ways, such as Kogan (1994), that their actions could limit access to elites by other researchers in the future or that they could lead readers of their work to mistrust any findings they have made. However, important as these concerns are, they are not the only reasons that have led this researcher to reject the idea of being disrespectful to employers to gain access to information. Another is my experience of being an employer who has participated in research, which is something that will be discussed in the next section on positionality.

5.5 Positionality.

In the past, I have worked in several organisations at operational and strategic levels. From time to time, I have had requests to participate in research. On those rare occasions where I reacted positively, I did so for one of the following reasons: the question was

interesting, directly related to the work I was doing or, there was a social connection between myself and the person conducting the study. Once I had agreed to participate, I always tried to be cooperative, treat the researcher with respect and answer their questions honestly. Smart and Higley (1977) and Kogan (1994) found, to their surprise, that the senior people in private and public sector organisations they interviewed for their research behaved similarly. It follows from this that sociologists using a perceived imbalance of power to justify disrespectful behaviour are essentialising and exploiting employers in a way they would rightly condemn if it were 'nuts, sluts and perverts' under investigation. Furthermore, it conveniently sidelines the fact that when researchers conduct research, they possess considerable power: they can control the direction of interviews; the meaning that is taken from them, the dissemination of results and their presentation (Bryman 2008; David & Sutton 2004; Ritchie & Lewis 2003).

It is not unreasonable to believe that when publication of research shows that subterfuge was used to obtain data that the people who participated in the study will feel betrayed. I never had such an experience, but I know how I would have reacted if I did. Unless the researcher could convince me I was mistaken, I would refuse any future cooperation with them or the institution they came from and encourage people I knew who occupied similar positions in my own and other organisations to do likewise. Self -presentation is central to the establishment of credibility and rapport (McDowell 1998). Dishonesty is, in the long run, self-defeating and using it as in investigatory tool can only be justified if a research subject is believed to be breaking the law. It could be argued I have the luxury of taking this position because my work history makes me an insider: someone who has access to employers. While this argument has some force, it is mitigated considerably by the fact that retirement has made me, to a significant extent, an outsider. As a result, I am no longer able to direct or materially influence the decisions of any employer. All I have to offer anyone who takes part in this research is my gratitude.

The question whether I am an insider or outsider concerning my relationship with people who have a history of mental health problems is also relevant to the conduct of this research. I have only suffered from the emotional ups and downs that are an inevitable

part of life. Challenging as these can be, they are not the same as having to deal with an ongoing sensory or emotional disconnection from my surroundings. As a result, I have never received a diagnosis of mental illness, been hospitalised, or had to submit to the authority of mental health professionals. This lack of a previous diagnosis can define me as an outsider. But, as I said in the introduction, I have provided support for someone who has had all these experiences and helped them get back to work. Obviously, supporting someone who has received a diagnosis of mental illness is different from the experience of being diagnosed as mentally ill. However, it has given me an awareness of the difference in social impact between being diagnosed with physical and mental illnesses.

My experience as a manager has led me to believe that in the private sector the continued existence of a firm almost always depends on its ability to compete successfully against other businesses. In pursuit of this goal, its managers will be provided with resources, including staff, to meet set targets. Furthermore, they will be held accountable for failing to do so. In this environment, recruitment failure constitutes a threat. Personally, I have reacted to this type of situation by rejecting applications from people with a poor work record without inviting them for an interview. On the other hand, my experience of supporting someone with a history of mental illness and what I have observed about the nature of mental illness and how people react to it has led me to firmly believe the exclusion of people with a history of mental illness from the social circles open to the rest of us, including the workplace, constitutes a social injustice.

My concern about this injustice does not mean I am going into this research with the aim of mounting an attack on employers for the recruitment decisions they make. Personal experience has shown me how the influence of personal values on recruitment decisions can be undermined by competitive and social pressures. Nor should it be forgotten that at a time when high unemployment means there is easy access to alternative sources of labour some employers employ significant numbers of people with a history of mental illness, including some who have suffered from severe and enduring conditions (Lelliot 2008; Independent Mental Health Task Force 2016; Henderson et al. 2013). Instead, I

intend to use my experience of being an employer to build a rapport with my research subjects to obtain the information necessary to make a judgement about the likely efficacy of the UK government's welfare to work policies with respect to jobless people who have been disabled by mental illness. For me, the purpose of doing this is not so much about generating theory, though that is very important, as it is about helping people who have a history of mental illness to engage better with the debate about the UK's approach to welfare to work. The next section will now set out how I intend to go about obtaining this information.

5.6 The research design.

The research tool used to get information had to be able to take account of the influence on employers of social structures, power relationships and their experience of mental illness on recruitment decisions. At first, consideration was given to conducting a case study. The attraction of this approach is it is appropriate for investigating a bounded system in a real-life contemporary setting (Creswell 2009). In this case, a system that regulates how people in a variety of businesses, who have the authority to hire staff, react to the UK government welfare to work policies. It is also an approach that lends itself to the use of multiple sources and types of information (Yip 2009 cited in Creswell 2013 pg 97). However, the scale and variety of activity in the labour market and the failure of social researchers to engage with employers led me to reject this approach because I did not feel there was enough evidence to justify taking it.

Given the lack of evidence, it was unsurprising to find the literature showed using qualitative methods to obtain the information necessary to address the research question would be difficult. Not only would I need to gain access to employers there was also the issue of the nature of that access. Evidence suggesting gaining access to them might be challenging is provided by Winkler (1987); the US Equal Opportunities Commission (USEOC) (2003); the Observatory (2003) and Wood et al. (2009). These researchers struggled to get employers to participate in their research. In the case of Winkler, it took him a year to negotiate access and Wood had limited success in securing their participation. The USEOC and the Observatory blamed events like these on the reluctance of employers to participate in social research. However, the research of Wood

et al. suggests this explanation is possibly self-serving because he was looking into a subject that is of acute interest to employers: pension reform. Because of this, he concluded that gaining access to employers required the identification and opening of appropriate lines of communication. As for the nature of that access, Mikecz (2012) found it was likely to be on a one-off basis and on terms set by the employer, which suggests many of the tools normally available to qualitative researchers, such as focus groups and multiple interviews, will be unusable.

I was in a situation where I needed an approach that would capture subjective experiences of a contentious subject from members of a group largely absent from the disability literature. One that could persuade potential research subjects the research is relevant to them; show them the researcher is both credible and competent; convince them the information they provided will shape the study and enable me to build the rapport necessary to generate large amounts of data in a short period. I decided that I would be most likely to achieve these aims if I interviewed employers; transcribed their contents and submitted the transcripts to the relevant research subjects for comment. Making this decision meant I would have to take cognisance of the social nature of interviews and the threat of interview bias (Bryman 2008).To guard against this, I would look to demonstrate an awareness of influences such as age, appearance, behaviour, ethnicity, sex and status (Bryman 2008; David and Sutton 2004; Ritchie and Lewis 2003).

The next step was deciding on the type of interview. Using structured ones presumes knowledge and understanding of the employer's world (Bryant 2008). While I have personal experience of this, the absence of employers from the disability literature led me to conclude it would not be appropriate to do this here. Consideration was given to the opposite tack: conducting unstructured interviews. These could obtain subjective experience. However, this approach was also rejected because it would be harder to keep the study on track and demonstrate credibility (Bryman 2008). As a compromise, I decided to use a semi-structured questionnaire, mixing closed and open questions. As with any compromise, there are drawbacks: my worldview will play a role in directing the interviews (Bryant 2008). But they compensate for this in two ways. They make it easier to demonstrate knowledge, purpose and credibility and they provide an opportunity

to create a structure loose enough to allow research subjects to see they are influencing the direction of the research and the meaning and understanding gained from it (Bryman 2008; Cresswell 2013; Ritchie and Lewis 2003; Robson 2002).

Two methods of conducting an interview were considered: face to face and telephone. Telephone interviews save time and reduce the cost associated with gaining access to subjects spread over a large geographical area (Chapple 1999; Sturges & Hanrahan 2004; Sweet, 2002; Tausig & Freeman, 1988); make fewer demands on space (Sweet 2002) and increase interviewer safety (Carr & Worth, 2001; Sturges & Hanrahan 2004). Some studies into attitudes towards hiring people with a history of mental illness report such an approach has led to the recruitment of large numbers of managers and the securing of high response rates (Shaw Trust 2006; 2012; Little et al. 2011). However, these studies were conducted by using a database of companies, which indicates there was a pre-existing relationship between the researcher and the research subjects.

The absence of such a database was not the only barrier to using telephone interviews. They require the researcher follows guidelines for completing interview questionnaires, which limit the use of open questions, question complexity and the number of response categories (Bryman 2008; David and Sutton 2004). There is also concern that a fear business would be lost because of engaged telephone lines would deter participation by small and medium-sized business (Bryman 2008). Furthermore, face to face interviews are better for in-depth discussions; investigating sensitive subjects; reacting to unforeseen answers; preventing research samples from being dominated by large organisations and using non-verbal cues to determine the honesty of the interviewee (Creswell 2009; Groves 1990; Mann and Stewart 2003; Robson 2002; Shuy 2002). The research topic and the lack of a database of pre-existing contacts; together with the gender and age of the researcher; their access to private transport; the geographic area being covered and the flexibility these offered about the time and place of any interview led to a decision to try to obtain face to face interviews.

5.7 Sampling strategy.

The first question addressed here was, would I draw a representative sample from the population of employers? Drawing such a sample requires the researcher to be able to isolate the beliefs and attitudes of the research subjects, understand the relationships between these and actions and know how they are distributed (Bryman 2008; David and Sutton 2004). I have been unable to find any study that convincingly argues these parameters, the food and drink of qualitative research can be described mathematically, which makes it reasonable to believe obtaining a representative sample is currently impossible. For this reason, I eschewed representativeness.

The next question I had to address was what size of the sample would enable the conduct of the research and the results it generated to be seen as credible. It has been argued a small number of interviews can demonstrate a phenomenon is more complex than was hitherto thought and that the test of sample size is how many interviews will convince a sceptic (Becker 1998). Warren (2002) suggests this test would be satisfied if a qualitative study is based on between twenty and thirty interviews. However, Gerson and Horowitz (2002) have argued that this number is too small and that the number of interviews should be near sixty. I reflected on these positions in the light of the variety of employers' and their operating environments. I concluded that I needed a sample size that would allow participants to be broadly based in terms of their status in an organisation; the size of the organisation they worked for and the organisations business sector. Balancing this need with the evidence from the literature about the difficulty in persuading employers to participate in social research led me to aim for thirty recruits.

The last question I asked myself here was where would I draw the sample from? Because I was a sole researcher living in Scotland, I decided to focus on the Scottish labour market. Given three-quarters of its population lives in a relatively small area called the central belt (Scottish Government 2014a), I decided to draw my sample from there. Because the literature has indicated that recruiting employers to take part in this study will be challenging, I decided it would be impractical to try and obtain a sample that

offered the prospect of identifying collective differences in attitude towards hiring people with a history of mental illness by age, ethnicity and gender.

5.8 The recruitment process.

Recruitment took place between September 2012 and September 2013. Initially, I intended to recruit research subjects with whom I had no connection. The reason for this was deliberate selection and association with chosen cases could severely compromise the study (Bryman 2008; Aldridge and Levine 2001). I created a sampling frame from the online services of Scotbis, local telephone and business directories and Scotweb. As I was identifying potential participants, I split them into the sectors used by BiS (2012 table 2.1 pg 10) of manufacturing, knowledge and services. I then used information provided online by Scotbis, company websites, Companies House and Google Earth to divide these businesses into small, medium and large using the definitions given in the Companies Act as outlined in paragraph 5.3 above.

Evidence employers are difficult to recruit for social research led me to investigate what kind of response rate I would obtain if I continued with this approach. I used my sampling frame to identify 100 small, medium and large businesses covering the three sectors of the economy defined by Scotbis and sent them an introductory letter (Appendix one). The letter outlined who I was, the topic I was researching and the purpose of the research. Attached were a plain language sheet (Appendix two) and a consent form (Appendix three). All three pieces of information followed the University of Glasgow ethics guidelines. Testing the water proved prescient. My mail shot obtained one response, from a bank, declining the opportunity to take part. I followed up this unwelcome result by calling twenty of the businesses to ask if they had received my letter and if so why they had decided not to take part in the study. With the larger companies, I rarely got past reception, as for the smaller ones, the person I wrote to was often unavailable. When I did manage to make contact with them, often after several telephone calls, they gave me a variety of reasons for their attitude including policy, an inability to make a worthwhile contribution, and most frequently a lack of time.

Consequently, I abandoned this approach to obtaining a sample and adopted a more opportunistic tack, which involved using my knowledge and connections to create an availability sample. In doing this, I was influenced by the argument that the difficulties involved in researching elites justify the use of personal contacts to gain access to them (Walford 2011) and then snowballing from there (Bryman 2008). However, I still wanted to limit the influence exerted by deliberate selection and association with chosen cases. Consequently, I decided not to ask people I had a personal relationship with to participate in the study but to request they use their networks to identify research subjects. By doing this, I was able to recruit employers because of the efforts of a deputy chief executive of a chamber of commerce; the ability of an ex-professional footballer I am friendly with to get me invites to fundraising dinners attended by business people; and employers from a variety of firms I had dealings with in the past and snowballing from there. These approaches were successful in obtaining the participation of employers working in the manufacturing, knowledge and service sectors, but they tended to be people working for large and medium-sized businesses. I increased the involvement of small employers in the study by picking two areas in the north and south of Glasgow that have several commercial thoroughfares and industrial estates with large numbers of small businesses, putting on a suit, a collar and tie and going door to door trying to sell myself and my research project. Predictably I received a significant number of rejections, but I occasionally got my foot in the door. Eventually, I secured the sample size and mix I wanted. The research subjects' pseudonyms, the manner I recruited them, the size of their business according to the criteria in the Companies Act, the sector they operate in, and the part of the central belt of Scotland where their head office is based in are listed in Table 7 on the next page.

An interesting result of the recruitment process was that it identified the importance of personal networks. Mine's were crucial to obtaining access to larger and medium-sized employers, but my willingness to cold call and chap doors sometimes gave me access to the networks possessed by smaller employers, sometimes even before I asked for it. An illustration of this is the experience I had after approaching a business trading on the south side of Glasgow. After talking with the owner for about fifteen minutes, he not only agreed to take part in the study, he unprompted made several telephone calls to several

other businesses who all eventually decided to participate. In practice, this meant

snowballing, and personal recommendation amounted to the same thing.

Table 7: List of employers who took part in the study[36]

	Pseudonym	Manner of recruitment	Size of business	Type	Business Sector	Company Position.	Area based
1	David	Personal recommendation	<50	Small	Services	Owner	Lanarkshire
2	Billy	Snowballing	<50	Small	Services	Owner	Renfrewshire
3	Robert	Personal recommendation	<50	Small	Services	Owner	Glasgow
4	Niall	Door to door	<50	Small	Services	Owner	Glasgow
5	George	Door to Door	<50	Small	Manufacturing	Manager	Glasgow
6	Vincent	Snowballing	<50	Small	Services	Owner	Glasgow
7	Margaret	Snowballing	<50	Small	Services	Manager	Glasgow
8	Sean	Snowballing	<50	Small	Services	Owner	Glasgow
9	Andy	Personal recommendation	50-250	Medium	Manufacturing	Director	Renfrewshire
10	Clare	Snowballing	50-250	Medium	Services	Director	Renfrewshire
11	Michael	Door to door	<50	Small	Services	Owner	Glasgow
12	Ross	Football dinner	>250	Large	Knowledge	Director	Edinburgh
13	Craig	Personal recommendation	>250	Large	Services	Manager	Ayrshire
14	Ian	Personal recommendation	<50	Small	Manufacturing	Owner	Edinburgh
15	Susan	Snowballing	<50	Small	Manufacturing	Manager	Glasgow
16	Naveed	Snowballing	<50	Small	Manufacturing	Owner	Glasgow
17	Steven	Snowballing	<50	Small	Services	Director	Dundee
18	Gavin	Snowballing	<50	Small	Manufacturing	Director	Lanarkshire
19	Mike	Personal recommendation	50-250	Medium	Services	Director	Renfrewshire
20	Richard	Personal recommendation	50-250	Medium	Manufacturing	Director	Stirlingshire
21	Gerry	Personal recommendation	50-250	Medium	Services	Director	Glasgow
22	Kevin	Personal recommendation	<50	Small	Knowledge	Owner	Glasgow
23	Frank	Snowballing	50-250	Medium	Knowledge	Director	Glasgow
24	Julian	Snowballing	50-250	Medium	Manufacturing	Director	Ayrshire
25	Gus	Snowballing	<50	Small	Manufacturing	Owner	Dunbartonshire
26	Anna	Snowballing	50-250	Medium	Knowledge	Director	Stirlingshire
27	Brendan	Football dinner	>250	Large	Knowledge	Director	Dunbartonshire
28	Thomas	Snowballing	50-250	Medium	Services	Director	Dundee
29	Karl	Personal recommendation	>250	Large	Services	Manager	Edinburgh
30	Glen	Personal recommendation	<50	Small	Services	Director	Glasgow

In most cases, access to these networks only got me the employers' attention. I still had to

sell them myself and the study. In effect, I had to subject myself to what was in effect an

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[36] The interviews revealed more than half of the employers who took part in this study had knowingly hired someone with a history of mental illness.

interview. Sometimes this took place face to face, on other occasions, it was over the telephone. In both cases I was asked about my background, how did I know our mutual contact, where did I work, did I have any experience of being an employer, what were these experiences, what did I think about them, why was I researching this area, what was the purpose of the study and where would the information they provided be kept and for how long. I was left with the impression that my experience as an employer was highly influential in obtaining participants.

Echoing the experience of Mickecz (2012) every interview took place at a time and venue of the employer's choosing. The locations of the meetings were workplaces; pubs; restaurants; cafes and their homes. On only two occasions were the interviews cancelled but both of these were rearranged. My experience of recruiting research subjects led me to believe that, time allowing, I could have recruited considerably more participants. In the end, none of the employers I was introduced to overtly declined to take part, but I was unable to obtain interviews with three of them ostensibly because of the pressures exerted by their business. It was an experience that led me to conclude that Wood et al. (2009) is correct in seeing the main difficulty in recruiting employers for social research is identifying and opening appropriate lines of communication with them rather than overcoming their reluctance to take part in social research.

One question that arises from my approach to the research question is whether other researchers will have the ability, which is highly prized in academic research (Bryman 2008), to replicate this study. To some degree, this will depend on whether they have access to a similar social network; have a comparable work history and the ability to sell themselves and their project. However, obtaining such access should be possible if people who are or have been employers are involved in the conduct of future research. Recruiting such people should not be beyond the bounds of possibility given the amount of management training that takes place in higher education. Another question to emerge from how I conducted this research is whether my contacts approached employers they knew to have experience of or an interest in mental illness. If this is the case, it could narrow the range of attitudes about the topic within the research sample. I tried to get around this by making it clear to the contacts I used that the crucial attribute I was

looking for was an ability to hire staff. Nevertheless, the evidence I obtained leads me to believe I was not entirely successful in this endeavour.

5.9 Research Ethics.

Before I started this study, I completed the University of Glasgow, College of Social Sciences Ethics form and submitted it in December 2012. I received approval from the College's research ethics committee in a letter dated the 4/2/13, ethics reference number CS20120254 (Appendix Four). In line with the advice from this body, I followed their guidelines about creating a framework that demonstrated participants had given informed consent to participate in the study, that their participation had been recorded accurately and that they had access to the material they had provided. This framework consisted of the aforementioned introductory letter (Appendix One), plain language sheet (Appendix two) and consent form (Appendix Three) there was also a transcript accuracy form (Appendix Five).

As was stated earlier, my initial recruitment approach was to send out an unsolicited introductory letter along with a plain English statement and a consent form. When events led me to abandon this in favour of using personal contacts, door stepping and snowballing, I considered providing my contacts with the ethics paperwork for distribution but decided against it because I could not guarantee its circulation and I was not comfortable with surrendering more control over the lines of communication than I had to. Consequently, the first time a prospective research subject was given in-depth information about the study was in the discussions that took place after we had been introduced. I decided I would provide the potential research subject with the ethics paperwork at the end of our first meeting on the grounds that starting it by handing over the paperwork and saying that tells you everything you need to know, which is essentially what an unsolicited letter does, would have undermined any attempt to build trust and develop a rapport. However, I always asked them to read the material before making a final decision to take part.

In general, I found the ethics procedures were unfit for the purpose of engaging with employers. There were two reasons for this: first, it became obvious that the preliminary

interview determined whether an agreement to take part would be reached and second, the paperwork it generated proved to be more of a hindrance than a help. Nobody changed their mind after they read it. Indeed some of them were amused by the idea that the study could harm them. But it made others revisit whether they wanted to take part and not for the reasons anticipated by the university. On these occasions, I was asked, sometimes in the most robust terms, what was the point of this, was there something that I wasn't telling them, who is this meant to protect, them or the university; and didn't I think it showed a lack of trust or that bureaucracy was running wild? I tried to address this development by telling them the purpose of this set of documents was to provide them with checkable proof that the study was conducted in the manner they were told it would be. In the end, I had to plead with some employers to sign the consent form by telling them I wouldn't be allowed to interview them unless they did. Eventually, they all signed the paperwork. It was an experience that led me to believe they would not have done so if we did not share experiences and social networks. In 2007, Coggan was confronted by a similar reluctance by research subjects to sign ethics paperwork. His conclusion, which is one I agree with, is that such irritation is reasonable given that it is normal for people to regularly give personal information, whose dissemination may affect them, for other purposes, market research for example, without having to sign a consent form.

Underpinning this type of problem is the assumption that the power relationship between the researcher and the research subject will favour the researcher. Given most social research focuses on marginalised groups this is a reasonable one. It is therefore understandable that addressing ethical concerns will be proceduralised in ways that try to address dangers such as exploitation. However, when a researcher is investigating elite groups, the reasons for participating in research and the distribution of power is likely to be different or even reversed. If the ethics procedures fail to recognise this, it could threaten the ability to carry out much-needed research. It follows that there is a need to look again at the idea of a one size fits all approach to ethics procedures.

Once I had secured an agreement to be interviewed, I asked them if it would be acceptable to record the interview when it took place. Nobody had a problem with this.

To help me cover the same ground in all the interviews, I used the same topic guide in all of them (Appendix six). As soon as possible after the interview, the recordings were transcribed in a way that protected the anonymity of the research participant. Once this was done, a copy was sent to them for comment on the understanding that when there was a disagreement about what was said I would not necessarily alter the transcript but if I didn't I would include both recollections of what had been said. On two occasions I was asked to change the transcript. I agreed to this both times because the requested alterations were minor: ambiguities I had missed were resolved and some spelling mistakes corrected.

On occasion, when the interviews took place in a pub, restaurant or café I paid for some of the food and drink that was consumed. On no occasion did I pay for it all, nor did I offer to do so when negotiating access to any research subject. Other than this there is no way that they could be seen as financially benefiting from participating in this study.

5.10 Research Quality.

Qualitative research cannot have the clarity of quantitative studies. The individuality of the researcher; their biases; values and the influence they bring to bear in a volatile research environment make this an unattainable goal (Bryman 2008**;** David & Sutton 2004; Ritchie & Lewis 2003). As a result, this type of study is always harder to replicate, and their results are harder to reproduce. Consequently, reliability and validity, with their emphasis on measurement become inappropriate arbiters of quality (Winter 2000). It follows there is a need to identify alternative ones.

A way to do this is signalled by Kuhn (1970). He identifies quantitative and qualitative research as approaches arising out of two different conceptual frameworks. Winter (2000) builds on this insight by arguing that in qualitative research validity is no longer a single concept but one whose characteristics are determined by the processes, intentions and methodologies of the study. Consequently, it possible to argue that construct validity and trustworthiness should be the measures of research quality. Construct being the initial question; validity the appropriateness of the assumptions behind the inquiry including where, when, how and from whom the data is gathered (Wainer and Braun (1998); and

trustworthiness the consistency, credibility, neutrality, transparency and transferability of the study (Hoepfl 1997; Lincoln and Guba 1985; Seale 1999). The questions that were asked when constructing this thesis were: is the design an appropriate one for investigating the research question, is it contributing to empirical and theoretical knowledge, does it do so in a systematic and transparent manner and does it, in the light of the available evidence, make arguments and claims that are credible (Spencer et al 2003). To answer these questions I took the following steps: I followed the recommendation to keep a reflexive diary Rolfe (2006); made extensive use of anonymised quotes, which highlighted convergence and divergence with earlier research and the assumptions underpinning policy (Bryman 2008) and used this evidence to reflect on how to build on agreements and resolve conflicts (Bryman 2008; David & Sutton 2004; Ritchie & Lewis 2003).

5.11 Data Collection.

As was said earlier, the data from each research subject was obtained from a single semi-structured interview. These interviews took place between February 2013 and January 2014. Once the employer agreed to participate, I asked them to sign an interview consent form (Appendix three) either there and then or to do so later and post it to me. The next step was to decide when and where to conduct the interview. On ten occasions the meeting took place immediately after the employer agreed to participate. The remainder of the time an agreement was reached about meeting later. On only three occasions were these appointments rearranged, two of them on multiple occasions. The interview with one of the employers, who had cancelled on several occasions, was finally conducted after I received a call saying that he would be available if I could get to his current location in the next hour. These hiccups apart, once an employer agreed to participate in the study every one of them honoured that agreement.

The interviews themselves took place in a variety of locations. Five occurred at the employer's home, twelve took place in pubs or restaurants, and the remainder were held at their workplace. Every interviewee agreed to the interview being recorded. I told them the recording would be transcribed to facilitate analysis and that they would be provided with a copy of it together with a transcript accuracy form (Appendix five), which they

could return to me with comments once they had read the transcript. To help me concentrate on the discussion, I did not take notes during the interview but wrote some up soon shortly after it ended.

The topic guide (Appendix six) was prepared by referring to my experience as an employer and my theoretical knowledge of and interest in the following subjects: sociology, mental health and economics. The topic guide was written in the form of specific questions, but they were used as a reminder of the areas I wanted to investigate. The anticipated difficulty in recruiting participants led me to decide on a set of questions and to stick to them rather than to check their relevance with a pilot study. With hindsight, my ability to recruit employers suggests that I could have done this. The aim of these questions was to identify what makes them decide to hire staff; how they did so; why they chose that approach; their experience of mental health matters; how aware they are of government welfare to work policies and how these policies influenced their recruitment practices.

I opened each interview by restating its purpose. Given the success of the interviews depended on the amount of data they uncovered, it was necessary to get them to talk openly and freely (Bryman 2008; Creswell 2008). To encourage this, I started by asking them about their business then I inquired about their understanding of the labour market before moving on to the topic of mental health. The reason I structured the interview in this manner was to make the employer as comfortable as quickly as possible and to make it easier to build a rapport with them before moving on to areas that were more likely to be unfamiliar to them.

On every occasion, the interview went well. Like Smart and Higley (1977) and Kogan (1994), I found the research participants to be open and friendly. I had no difficulty getting them to talk. In negotiating access, I asked for 45 minutes of their time. During the interview, to demonstrate my integrity, I made sure they knew I was aware of how time was progressing and that I intended to conclude the meeting within the allocated time. When the interview took place in the workplace, it was occasionally interrupted by work-related matters. To reinforce my commitment to confidentiality, I responded to these interruptions by automatically switching the recorder off. Only six employers held

me to the requested 45 minutes. None of them included the time lost as a result of interruptions. The rest made it clear, as the interview progressed that they were willing to give me more time than I had asked for. Sometimes, the interviews lasted as long as an hour and three-quarters. This extra time allowed emergent themes to be explored in more detail and allowed a greater rapport to be developed. The feedback from employers indicated this approach made the topic at hand more interesting and the interview more enjoyable.

5.12 Data analysis.

Following the suggestion made by Loftland et al**.** (2004), I listened to the recordings of the interview as quickly as possible after they had taken place. I then wrote up my impressions of what had happened organising it into a series of initial headings. These actions started an inductive process whose aim was to develop a narrative of what was going on. This process needed to be an open one as it involved identifying ideas that could be looked at in later interviews and discovering emergent themes. Because of my promise to respect confidentiality, I decided to transcribe the interviews myself. Consequently, I had to listen to the interviews on several occasions to ensure each transcription was an accurate reflection of what had been said. A benefit of doing this was it gave me a greater understanding of the material. From time to time, the product of my work was submitted to my supervisors for comment and discussion.

As I was transcribing the interviews, I was importing them into 'Nvivo Ten'. Using the initial headings I had derived from listening to the transcriptions, I created nodes and sub-nodes, as more and more interviews were transcribed, feedback loops were set up that submitted these nodes to a process of amendment, division, integration and removal. This process allowed me to deepen my immersion into the data, but as the analysis developed, I became aware the ability of Nvivo to create nodes and sub-nodes created the danger that employers' comments could become disconnected pieces of information devoid of context. To avoid this, I made sure my subdividing of the data took place within the context of broader headings, which were informed by biographical data such as the number of employees, market sector and geographic location. This increased the influence on the analytical process of the employers' subjective experience. However, it

created the danger I would miss the relevance of data that didn't fit comfortably into the categories my analysis had identified. To address this, I revisited this material to reappraise its importance and its relationship with the established themes. At the end of this process, much of the data in each interview had been collated into nodes structured in terms of importance and how they related to each other. At this point, I read through the restructured material to crystallise my understanding of the relationship between what employers had said and the narrative structure that had emerged.

The next three chapters will discuss the three most important themes that emerged from the analysis of the data. 'Chapter Six' looks at their experience of mental illness; 'Chapter Seven' examines their experience and understanding of the labour market; 'Chapter Eight' examines the influence of the UK government's welfare to work policies on how they trade for labour and 'Chapter Nine' will juxtapose the evidence from these chapters with the literature review in 'Chapter One' and 'Chapter Two' and the evidence from 'Chapter Three' to discuss my conclusions about how the UK government's welfare to work policies have affected the demand from Scottish private sector employers for labour from jobless people who have been disabled by mental illness.

Chapter Six:

Employers and their beliefs about, experiences of and reactions to people with a history of mental illness.

6.1 Introduction.

Work-related mental illnesses cost employers in the UK billions of pounds in absenteeism, reduced productivity and staff turnover (SCMH 2007). Despite this, the evidence shows that before during and after the deepest recession since the 1930's, they hired significant numbers of people with this type of health history. In the UK only one in five of people who have a history of mental illness receive state benefits (Lelliot 2008); almost half of them are in paid employment as are a quarter of those who have severe and enduring conditions (Independent Commission on Mental Health 2016). The numbers involved indicate many employers knowingly hire some people with a history of mental illness[37] and have considerable experience of people with a history of these conditions. However, the disability literature is unable to say anything about this. For, as was noted earlier, this body of work has failed to engage with employers (Riddell et al. 2005; Clark et al. 2010) other than to ask them for their reactions to imaginary people in hypothetical situations (Hayward and Bright 1997; Sharac et al. 2010).

This failure means we know little about employers experiences of mental illness or how they have influenced their attitude towards job seekers with a history of these conditions. It means we are unable to answer the question, do employers hire them when they are willing and able to respond to market signals about price or is it because other factors are in play? This chapter will use evidence provided by employers to address these issues. It will start by looking at what they regard as the most important sources of information about mental illness: medicine the media and the workplace. After this, the beliefs of employers about mental illness, stigma and recovery will be explored. Then it will investigate the circumstances under which they hired people with a history of mental

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[37] It could be argued felt stigma will prevent someone with a history of mental illness from telling an employer about their health history when they apply for a job. But employers take steps to establish work records. Given the numbers of people with this background that they do hire, it becomes untenable to claim they always do so unwittingly. Unless of course, one believes every person with this type of health history developed their condition after they found their current job or lied about their background in their application and employers' checks are universally incompetent.

illness. Finally, it will come to a close by reflecting on what this discussion tells us about the ability of the UK government's welfare policies to make it more likely private sector employers will hire more of them.

6.2 Employers and their sources of knowledge about mental illness: medicine.

The importance of medicine as a source of information about mental illness was evident in the way employers talked about it. Throughout our discussions, they used words linked to psychiatric discourse like anxiety, bipolar, depression, manic depression and schizophrenia. But as they progressed it became apparent they did not know the meaning of these terms or their associated symptoms. For example, Claire told me:

> *"When my mother was diagnosed with depression we thought it might be Alzheimer's because she was forgetting things. I never thought forgetting things had anything to do with depression."*

While Andy said:

> *"I hear terms like schizophrenia and depression all the time, but I don't know what these words mean."*

Others like Billy conflated diagnostic categories as this exchange shows:

BMcN:

> *"You used the word Schizophrenia, what do you think are the symptoms of Schizophrenia?"*

Billy:

> *"Possibly someone being extremely bipolar"*.

These findings echo those made by Jorm (2000), who found the general public to be ignorant of diagnostic categories and Little et al. (2011) who found employers knowledge of psychiatric nosology to be poor. They raise questions about where else employers obtain information about mental illness. From the interviews, the two sources that emerged as being most important are the media and the workplace.

6.3 Employers and their sources of knowledge about mental illness: the media.

Finding the media is one of the employer's primary sources of information about mental illness is unsurprising because the literature offers it as the lay person's primary source of knowledge about the subject (Wahl 1992; Coverdale et al. 2002; Whitley and Berry 2013).

The media disseminates information about mental illness in two ways: via fictional stories where it is used as a plot device and in factual reports where its presence is seen as relevant to an event (Caputo and Rouner 2011). Everyone was aware of the type of stories related to mental illness described by Thomas:

> *"Well you read about murderers, which are extreme cases like Robert Mone and guys like that, who clearly have something wrong with them, then you read about guys with post-traumatic stress, and you wonder about them: people that came back from the war and shot people, they arm themselves and go mad."*

During our discussions, there were frequent references to factual and fictional stories linking mental illness to aggressiveness, dangerousness and violence. Historically the media has tended to focus on bizarre and dangerous behaviour when reporting on mentally ill people (Byrd et al. 1980; Day and Page 1986; Corrigan et al. 2001). However, research suggests the influence of these stories does not depend on how much people engage with them but on the similarity between what is described in the story and their lived experience. Negative judgements seem to have an inverse relationship with the amount of common ground occupied by the person being told a story and the people it is about (Caputo and Rouner 2011). To put it another way, people's responses to media stories are exercises in agency.

It was noted in 'Chapter Two' that there have been substantial increases in the numbers of people diagnosed as suffering from mental illness (Whittaker 2010; Horowitz and Wakefield 2012), and that the community is now the locus of treatment for most of those who have severe and enduring conditions (Rogers and Pilgrim 2010). It is, therefore, reasonable to believe the general public is more familiar with them than they once were.

Indeed, it suggests many of them might identify privately, if not publically, as having been mentally ill. If familiarity with mental illnesses reduces the contempt experienced by people with a history of these conditions (Caputo and Rouner 2011; Corrigan et al. 2001; Coutrie and Penn 2003), then it indicates people may be more likely to reject negative presentations of them by businesses and media outlets. The employers I spoke to reported they believed that people are increasingly hostile to such presentations. In the course of doing so, they highlighted the influence of celebrity culture, social media and 24-hour rolling news organisations.

6.3.1 Changes in media presentations of mental illness and the influence of celebrity culture, rolling news and social media.

An example of the type of change that they were referring to is provided by Craig:

> *"You don't see people in Casualty* (A popular long-running TV programme) *getting stabbed by somebody with Schizophrenia now. That used to be fairly regular on a Friday night."*

They also frequently pointed out to me that it is now quite common for media stories to challenge the negative stereotypes associated with mental illness. For example, Mike told me:

> *"There are more celebrities coming out, the Neil Lennon's and all that, saying I did suffer from this. I was surprised when I read about Neil Lennon; there's an example of a guy who is probably one of the hardest people you would get on a football park, a born winner; he doesn't have loser anywhere in his body."*

The employers I spoke to frequently referred to media stories about high achievers, in business, sport, politics, and the arts, self-identifying or being outed as having a history of mental illness. In addition to Neil Lennon, they mentioned Alasdair Campbell, Antonio Horta-Osorio, Catherine Zeta-Jones, Frank Bruno, Robin Williams, Ruby Wax; Stan Collymore, Stephen Fry and Spike Milligan. Some had read books by the likes of Fry (2008), Campbell (2012) and Lennon (2009); listened to broadcasts they had made or followed them on social media. They were aware some of these individuals had described

their conditions as enduring, disruptive, and occasionally life-threatening and indicate that they admired them for refusing to let their conditions prevent them from achieving goals beyond the reach of most of us.

Their evidence resonates with the writings of William Anthony, who has been highly influential in shaping how Scottish policymakers think about recovery. In 1993, he described it as something that takes place when people successfully manage symptoms and make appropriate choices in pursuit of achievable goals. It offers hope these celebrity stories might have a positive effect on how employers look upon less prominent people with similar health histories. Benkler (2006) and Bruns (2008) offer support for this idea. Both argue people can use the media to redefine not just themselves but people similar to them in ways that create markets for what they have to offer. However, some degree of caution needs to be exercised about what this might mean for the employment opportunities of people with a history of mental illness. If the influence of negative stories depends on the relevance of these stories to the lives of the people who are told them (Caputo and Rouner 2011), then there is the possibility this is also the case for positive ones.

In the following anecdote, Gus captures the thinking of many of the employers who spoke to me about how rolling news and the internet are changing media reporting of mental illness. He said,

> *"What I would say is that we just used to have the Daily Mail, but now we have got 24-hour news and the BBC are all on the do-gooder's side of things and so the slightest, where people step over the line, you've got to be better than whiter than white. These large organisations and your ASDA's put one foot out of line, and they're going to get pulled, and maybe that's right as well for companies that size, but that's got more to do with social media. Reporting was never as good as that and that, the issue it goes viral, and these things explode."*

Other employers made the same point about TESCO. In September 2013, both these supermarkets marketed Halloween costumes linking mental illness to violence. People

with a history of mental health problems, mental health user groups and their allies used social media to attack the use of unfair stereotypes for profit. Like situations that have been commented on by Benkler (2006), this was picked up by the BBC and Sky who broadcast it on their 24-hour rolling news channels alongside criticism of the supermarkets from famous people including Alasdair Campbell[38] and Stan Collymore[39]. Subsequently, the story was picked up by newspapers of every political hue, from the Daily Mail[40] to the Guardian[41], who then attacked the supermarkets for their actions. It was not long before the supermarkets in question withdrew the offending products from sale and issued a public apology.

Gus's evidence also demonstrates the ambivalence felt by many employers about this development. On the one hand, there was support for the idea that businesses, especially large ones, should be called to account for improper behaviour. On the other, there was fear, that if a small or medium-sized company was subject to a similar backlash, it could damage them out of all proportion to the offence they committed. The employers strongly suggested that they are frightened of what might happen if they get things wrong. It, therefore, becomes reasonable to believe many companies, particularly smaller ones, might be reluctant to engage with people who have a history of mental illness. Given small to medium-sized businesses employ almost half of the UK workforce UK (FSB 2014); this is a matter of some concern.

The development of communication systems whose speed makes the distribution of information less susceptible to state or corporate control explains why people with a history of mental illness can come together to challenge unfair stereotypes. However, it does not explain why traditional media outlets, which have a long history of insensitive and hostile coverage of mental health issues, sometimes support them. It could be argued they are reflecting changes in their customer base. No doubt there is some truth in this. But making this argument does not address why, as they are attacking the supermarkets for using negative stereotypes of mental illness for profit, they are attacking people with a

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[38] http://www.bbc.co.uk/news/uk-24278768
[39] http://news.sky.com/story/1146563/mental-costumes-asda-and-tesco-apologise.
[40] Outage as Tesco, ASDA and Amazon sell Halloween outfits of mental health patients. The Daily Mail 26th September 2013.
[41] ASDA offensive Halloween costumes and mental health stigma. The Guardian 26th September 2013.

history of mental illness who receive disabilities benefits for lacking a work ethic (Briant et al. 2011).

Help in understanding what is going on is provided by Hermann and McChesney (1997). They point out the owners of media companies possess substantial amounts of capital and that it is their interests to have competitive markets distribute economic resources. Consequently, they tend to support governments who are engaged in a project of rolling back and rolling out of the state's functions (Harvey 2005). Currently, many people with a history of mental illness depend on the state for the resources to live their lives. Such dependency, together with public support for it, impedes the progress of this project. Removing this obstruction requires changing the public perception of people with a history of mental illness so that they are not seen as being unable to fend for themselves or as posing a threat to anyone. Marketing products using negative stereotypes make this more difficult. From this perspective, traditional media attacks on supermarkets for using negative stereotypes to sell products while attacking jobless people with a history of mental illness are entirely logical.

6.4. Employers and their sources of knowledge about mental illness: the workplace.

Only two of the employers I spoke to rejected the idea of employing someone they knew to have a history of mental illness. Over half of them had knowingly hired them, and three-quarters had experience of supporting members of staff who had become mentally ill. It was a universal belief that this type of health problem was is more disruptive to production than others because in addition to absenteeism there was also the possibility of disruptive behaviour at work. Two examples of the latter were provided by, amongst others, Billy and Richard. In the following exchange Billy tells a tragic story about a former employee:

BMcN:

> *"Have you any experience of managing mental illness in the workplace?"*

Billy:

> *"I have experienced it, but I haven't managed it."*

BMcN:

"What do you mean?"

Billy:

> *"I had a chap here who took his own life at his work."*

Here, Richard talks about troublesome experiences with employees that he knew had been diagnosed as being mentally ill, who worked on a remote site on a subcontracting basis with workers from other companies:

> *"I have had two situations where I owned a company: one was a man who was a serious alcoholic, and I had another man who had a drug problem. I don't know to what level their problems were, but it started to affect the work situation and the safety situation, and they had to be withdrawn from sites because of the danger."*

The negative tone of these stories was commonplace. They could be dismissed as evidence their tellers hold stigmatising beliefs. Why weren't they also talking about successes? Where were the stories about the benefits of a diverse workforce or the greater motivation shown by people who have finally been given a chance? However using stigma in this way cannot account for evidence from, amongst others, Anna, Andy, Craig, Gavin, Julian, Mike, Naveed and Ross, which showed that once an employee became mentally unwell, they tried to keep them in employment despite the disruption. Anna told me about trying to support someone returning to work after being off with depression:

> *"I thought I am perfectly capable of providing a good workplace for this individual to find their place again…..and as I say within six weeks, and this was with a lot of task management. I really tried to produce a framework that would contain any difficulties, but it all*

kicked off. In the end, things just imploded; it utterly imploded, the
section literally shut down."

Anna's evidence showed she was willing to make what the Equality Act 2010 calls reasonable adjustments to the workplace, to accommodate her employee's health condition. When Andy, Gavin and Julian talked about trying to do this for a member of staff they indicated they had the same type of experience as Anna. While this might have been because making such adjustments was impossible, it could also have been because they did not know how to make them, which casts doubt on the efficacy of the Equality Act 2010. Not all support failed. Amongst the evidence from those who had some degree of success, Craig's is of particular interest because he is one of the two employers who said he would never knowingly hire someone who had a history of mental illness. He told me:

> *"There was a member of staff who was clearly in a very difficult situation, she was in the psychology team, and you would generally expect that would be a good place to be if you were under the influence of mental illness. No?"*

BMcN:

> *"No?"*

Craig:

> *"Basically I had to go and rescue her, make adaptations or reasonable adjustments for her, she's in another job connected to another team; she still works here. This has really worked out well for her, and she's in a much happier place, and the psychology team don't have to deal with someone who is going through an emotional trauma."*

An obvious explanation for the above behaviour is employers are responding to pressure from HR professionals. However, many of the businesses that took part in this study did not employ these people, and none who did had enough of them to police the behaviour

of their management[42]. Their success and longevity suggest they are profit focused. So, why are they acting in this manner? Insight is provided by reflecting further on Anna and Craig's evidence. Both of them became members of the same social group as their employee on the creation of the employer-employee relationship. Groups, allow significant amounts of information about people to be circulated over extended periods of time. They create stability by providing a forum for meeting social and affiliation needs (Handy 1993), creating feelings of identity and solidarity based on similarities with some and differences from others (Hall 1990), and facilitating the organisation and control of activities through the allocation of responsibilities (Handy 1993). If employers do not support staff members who become unwell, they risk creating instability. In time this could damage the reputation of their business, make it more difficult for them to recruit and retain experienced workers and threaten profitability. In this light, the benefits of shared group membership offer an explanation for why employers tried to keep staff who became mentally ill, which is consistent with arguments made by Simon (1997) about the use of bounded rationality; Williamson (1975; 2007) regarding transactional costs; Granovetter (1973; 1985; 1995a) about trade being embedded in social networks (Darity 2005; 2009a) about cooperation and competition within and between groups and the insights offered by Zelizer (2007) about the role played by intimacy in economic activity.

However, groups divide the world into the known and the unknown, insiders and outsiders, and competitors and associates (Darity 2005; 2009a; Hall 1990; Handy 1993). If group membership influences the reactions of employers to employees who have a history of mental illness it suggests shared group membership could also change their responses to job seekers with a similar health history. To examine this further the next three sections will look at the beliefs of employers about mental illnesses and whether shared group membership mediates recruitment decisions involving people with a history of these conditions.

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[42] This appears to be the norm. The role of HR in staffing issues will be gone into in more detail in chapter 8.

6.5 Employers and their beliefs about mental health problems.

Every employer who took part in this study spoke of mental health problems in terms of illness. However, they all agreed with David when he said:

> *"What we call mental illness now is not what we used to call it forty years ago."*

Every employer believed the identification of conditions such as anxiety, alcoholism, drug dependency, grief and nervousness as mental illnesses was a relatively recent phenomenon. A finding that resonates with the discussion in the literature review, which showed that what is identified as mental illness is often contingent on factors such as personal status, culture, time, and technology (Foucault 2006; Porter 2002; Scull 2009; Rogers and Pilgrim 2010). Their awareness that the concept of mental illness is fluid raises questions about what they believe is the cause of mental illness; how they identify its presence, what they believe is its relationship with social stigma and what their thoughts are about the possibility of recovery.

6.5.1 Employers and their beliefs about the causes of mental health problems.

Vincent captured the universal belief amongst those who participated in this study about the cause of mental health problems. He told me:

> *"In one instance it can be where there is something wrong with the brain in the first place in the other it can be a reaction to a big shock."*

The understanding of mental illness displayed by employers echoes the response of medicine to the fallout from the First World War, which was to parse mental illness into psychosis and neurosis (Bogacz 1989). They all spoke of mental health problems as being things that can be caused by a biological anomaly in the brain or an event with enough emotional power to cause it to malfunction. When they understood it to have an organic root the majority of them interpreted it as being the result of genetics, physical injury or some form of infection, which is an understanding that led some to identify conditions such as autism, epilepsy and learning difficulties as mental illnesses. Everyone thought 'a

big shock' such as bereavement, bankruptcy, divorce or redundancy could make someone mentally ill, but they also agreed with Ross who told me people could also become mentally ill when,

> *"They haven't been able to verbalise to their colleagues or friends things that are going on in advance, and then it comes to a signature moment."*

The beliefs of employers appear to be that mental illness is a fluid and multifaceted phenomenon. Something caused by genetics, a biological or social trauma or a build up of pressure in response to several relatively unimportant events over time. In the academic literature, these characteristics have generated ontological debates and epistemological struggles. However, none of the employers I spoke to was conflicted about what mental illness signalled or how it should be dealt with. In line with Scambler's (2006; 2009) insight that medical labels often marked a real difference they all believed mental illness indicated a different state of being, that this difference needed addressing, that medicine was the appropriate discipline for doing this; and that diagnoses provided an appropriate degree of orientation for mentally distressed people and those who engage with them.

6.5.2 Employers and their beliefs about the behaviour associated with mental illness.

Every employer thought there were two types of behaviour associated with this different state of being. Billy provided an example of the first of these when he told me:

> *"Well, quite often these people are talking to themselves, talking to a wall."*

While Niall provided an example of the other when he said:

> *"You're aware of people that can act one way one minute and then within a minute act like a completely different person the next minute."*

The universal belief was that mental illness signalled the potential for strange or unpredictable behaviour. Gavin captured what everyone thought the possibility of these types of actions meant for someone's employment opportunities:

> *"If someone has a characteristic that is unsettling, then I might not be able to use them, and in saying that I am aware that the problem might lie with my perception, but in business, the judgement has to be, does this damage my business?"*

The literature on mental illness also links mental health problems with strange, unpredictable and unsettling behaviour (Foucault 2006; Porter 2002; Rogers and Pilgrim 2010). Except for schizophrenia, nobody I spoke to was concerned about this behaviour manifesting itself as violence. The idea that some diagnostic labels make people unemployable echoes an observation made by Stalker (2005) that particular labels can make their bearers socially unacceptable. However, here, Gavin identifies what their primary concern was:

> *"I want somebody who'll be here when they're needed who'll fit in with how we do things here."*

Everyone thought a history of mental illness signalled someone might be unable to comply with the everyday demands of the workplace such as turning up for work regularly, being on time, notifying their manager if they were going to be absent from work, behaving in conformance with workplace norms, concentrating on the demands of the job and encouraging repeat business from customers. They believed strange behaviour might become manageable over time if they adjusted the workplace to suit someone's idiosyncrasies or confined them to certain tasks such as back-office functions. However, they all thought it would be unreasonable to expect small employers to absorb the costs involved in doing this. As for bigger businesses, while they believed they could bear these costs, the consensus was that there would need to be a compelling reason for them to do so. As for unpredictability, everyone thought this was just unmanageable. In essence, the potential for strange behaviour increased the level of risk they had to deal with, and the prospect of unpredictability introduced an element of uncertainty. As a

result, they all thought job seekers with a history of mental health problems had to be treated with caution.

This evidence shows employers do not see labour from people with a history of mental health problems as a commodity like any other: something that is distinct from its supplier. It demonstrates that when a business operates in a competitive environment, employers see the reality of mental illness as a barrier to paid employment that is distinct from stigma, which brings us to what role they think stigma plays in their recruitment decisions.

6.5.3 Employers and their beliefs about stigma and mental illness.

Every employer I spoke to agreed with Naveed who told me:

> *"There is a stigma associated with mental illness."*

He then went on to say:

> *"People discriminate against them."*

There was a general awareness that deviance from social norms is a precursor of stigma and that stigma is distinct from and a precondition for unfair discrimination. Some of them like Ross also showed awareness that stigma could provoke a reaction in the person diagnosed with a mental illness and that these feelings could inform how they acted:

> *"Nobody is going to admit to having a mental illness at an interview because they would think it would make it less "likely they would get the job."*

This evidence reflects the argument about felt stigma made by Scambler (2004) in that it shows employers are aware a diagnosis of mental illness can induce in people a fear of rejection and that this fear may cause them to conceal their health history. Given they all thought that stigma led people to discriminate against individuals with a history of mental health problems, I was interested to find out about how they saw their behaviour. Everyone, in one form or another, said the same thing as David:

"I'll employ anyone if I think they will make me money."

Nobody accepted the idea that they held stigmatising beliefs or that they unfairly discriminated against job seekers with a history of mental illness. Their position was that they judged job seekers on the grounds of their ability to help the business make money. They thought that for the most part, this meant being able to do a job of work in a manner that fitted in with their demands and those of other workplace actors. A desire by employers for employees that conform to productive and social norms has been identified as ableist (Kumari Campbell 2008; Foster 2011). However, employers do not see their position as being unfair as Robert demonstrates in the following exchange about a job interview with someone with a history of mental illness who responded to a job advertisement.

BMcN:

"Say at an interview you were interviewing someone, and they said I'm going to be straight with you, I've got a history of mental health problems.' How would you react to that?"

Robert:

"Well, I couldn't take the chance…I wouldn't like them going into a house and doing a job of trust like mine."

BMcN:

"Why?"

Robert:

"It's a risk assessment."

Robert is an electrical contractor whose business requires his staff to work in people's homes. Earlier, when I asked him about what he knew about mental illness, he told me:

"Pass."

When we talked about trust, he made it clear to me he was talking about working in a predictable and safe manner rather than honesty. He believed it was essential his employees were able to do this if he was to stay in business. For him, deciding not to hire someone because they had a history of mental illness was not acting unfairly it was an exercise in pragmatic self-interest. By using words like chance and risk, Robert was trying to present his recruitment decision as a rational judgement: an assessment of the likelihood that something hazardous might happen that could adversely affect his business. His self-professed ignorance about mental illness and his belief that he cannot predict the job seekers future behaviour points to him doing something else: trying to reduce uncertainty. Risk presumes possession of the knowledge necessary to calculate the probability an event will occur while uncertainty indicates awareness that such knowledge might not be available, either because it is not known or it doesn't exist (Knight 1921; Taleb 2010). The evidence provided by Robert suggests he is not carrying out a risk assessment but reacting to uncertainty by exercising an exclusionary use of power in the hope he can keep things as predictable and safe as possible.

Everyone I spoke to, including those who had knowingly employed people with a history of mental illness, thought along the same lines as Robert. Apart from the two employers who said a history of mental illness would result in the automatic rejection of a job seeker, they agreed that if the recruitment process revealed someone had a history of mental illness, it might not always result in rejection, but it would always demand further investigation. They argued that this was how they would act when someone had a record of poor physical health or unexplained gaps in their work history. In itself, there is nothing ominous about this for how could an employer make the reasonable adjustments demanded by the Equality Act 2010 if they did not behave in this way. But in the context of a desire for safety, predictability and profitability it suggests the employers I spoke to are rationalising their actions in ways that enable them to reject accusations of having any personal responsibility for the high levels of employment experienced by people with a history of mental illness.

It is a line of thought that allows them to accept the idea stigma plays a role in shaping the employment opportunities available to people with a history of mental illness while

rejecting the possibility of it influencing their hiring practices. Consequently, doubt is raised about the efficacy of the 'See Me' campaign. The literature on marketing campaigns aimed at changing public behaviour indicates that success depends on whether their target audience sees them as being relevant (Kotler and Zaltman; 1971; Dolan et al. 2010). The employer's beliefs about the influence of stigma on their hiring practices suggest they might see the 'See Me campaign as being irrelevant[43]. It also casts doubt on whether the Government's linking of recovery and paid employment and its idealisation of recovery as something determined by the attitude and agency of someone who is or has been mentally ill are realistic. The next section will examine this when it looks at what employers understand by the term recovery.

6.5.4 Employers and their beliefs about recovery.

To investigate employer's beliefs about recovery I asked everyone whether they thought people with a history of mental illness could recover. I deliberately avoided using synonyms such as 'cure' or 'get better' in order tease out any awareness of the debates about mental health and recovery that run through the literature and mental health policy. The most optimistic group of employers about recovery were David, Mike and Richard. David captured their beliefs when he told me it would be possible,

> *"With medication and treatment but I don't think it would be a short treatment."*

The most pessimistic group of employers was made up of Brendan and Michael. Brendan demonstrated what they thought when he told me,

> "*I doubt if recovery would ever be possible,*"

The majority of employers were to be found between these poles. This group believed the possibility of recovery depended on the cause of the illness as Anna shows here:

> "*If I was presented with an individual who said they were feeling flat, or I've got an appetite problem, and they've made me late for work and through a conversation, I was able to elicit that there had been*

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[43] This will be discussed further in chapter eight.

the death of a parent, I would see that as probably temporary. I'm going to use the word fixable bearing in mind I have an issue I want to fix. I would see that as social circumstances coming to the fore. Now if I had someone who was unaware of their impact who displayed erratic moods and whatever else they might present. I model that in a medical framework, it might be manageable, but it's not something that is going to go away."

In line with their shared position that mental illness signalled a real difference and that the role of medicine was to address it, they treated the word recovery as being a synonym for a cure. Paradoxically, most thought this would be more likely if the illness had a social root and less likely if it had a biological one. In general, the employers I spoke to seemed to look at the first category of mental illnesses as diseases, while the latter ones were viewed as a form of impairment. They appeared to see the role of medicine in the former instance to be to curative: to return to a former state of being, while in the latter cases it was to manage the deviant social behaviours that were a symptom of their condition. This suggests that evidence indicating employers look upon the effect of mental health conditions as being temporary (Sainsbury et al. 2008) might be conditional on what they understand to be the cause of the illness. In the light of the earlier finding that employers regard people bearing particular diagnostic labels as unemployable this is an area that requires further research.

The findings that employers believe recovery is a synonym for a cure and that their experience of and beliefs about mental illness makes them cautious about hiring someone with such a background sits in stark contrast to their earlier positive reaction to media stories about people achieving considerable success while living with severe and enduring conditions. However, employers knowingly hire some people with a history of mental illness including ones with severe and enduring conditions, which is behaviour that suggests there is some alignment between employers' beliefs about recovery and the idea recovery involves successfully managing symptoms and making appropriate choices in pursuit of achievable goals. So, while caution needs to be exercised regarding the extent of this alignment, the evidence here suggests it could be improved if recovery

advocates constructed their arguments by taking on board employers experiences of mental illness and used words in ways that they are familiar with, which points to a need to involve employers in developing and communicating the concept of recovery.

At the start of this chapter, it was said the evidence indicated employers knowingly hire people with a history of mental illness, including ones with severe and enduring conditions. The evidence of this study supports this, for more than half the employers I spoke to had knowingly hired such a person. Given the evidence that social relationships mediated how employers reacted to employees who had become mentally ill, the discussion will now explore these decisions by looking at whether pre-existing social relationships influenced these recruitment decisions.

6.6 Employers and their reactions to job candidates with a history of mental illness in the absence of a pre-existing social relationship.

In 'Chapter Four' it was noted that when this study was carried out, there was a considerable surplus of labour in the Scottish economy and that this surplus was likely to increase as a result of the government policy of moving people with a history of mental illness off incapacity benefits. It follows that these new entrants to the labour market will have to persuade employers to hire them rather than people who have a more recent work history, and a better health record, who appear willing to accept jobs offering fewer rewards than their qualifications would usually demand.

This led me to ask every employer how they would react to two job candidates that were unknown to them; one had been unemployed for a considerable period and had a history of mental illness, the other did not have this health history and had recently been made unemployed. The reaction by every employer to this question is captured by Robert:

> *"Why would I take on someone who hasn't worked for years and has been not well when there are a lot of superstars out there who are looking for work?"*

From what has been said earlier it is reasonable to believe Robert is assuming, in the absence of any information to the contrary, that the person with the history of mental

health problems is indicating the possibility of increased costs as a result of things like absenteeism, an inability to focus on the job, adverse reactions by other workplace actors and rusty or non-existent job-related skills.

Robert's response explains why only two of the sixteen employers I spoke to who knowingly took on someone with a history of mental illness did so as a result of any form of competition. The employers in question were Margaret and Julian. Margaret employed someone in an entry-level post in an old folk's home. The evidence she provided indicated that she was influenced by having a family member with the same condition as her new employee. Margaret felt she was familiar with the condition, would be able to manage her new employee successfully and had a responsibility to treat people with this condition in the manner that she would like her family member to be treated. In many ways, despite the absence of a personal relationship, Margaret's evidence is more about how familiarity can positively influence recruitment decisions. As I intend to deal with this in the next section, I will focus on Julian. Here he describes the circumstances surrounding the appointment of a member of his staff:

"We recruited a guy; it was for an IT job, we used an agency; this chap had done a phenomenal amount of research on us he knew the job inside out, and he brought some really innovative ideas to the table. Here we were faced with a guy who stood out from all the other guys; the other guys were pretty much turn of the handle, what you see on the person specification was what you got. This was a new organisation, and this guy was bringing something extra in. After the second interview with my boss, we had a discussion and came to the conclusion that there was something not quite right here, but we didn't know what it was, I was asked do you want to take a risk on this guy. I said well yes, he's got some interesting ideas here. We decided to put him on a probationary contract for six months. Let's put him through the process of a medical. So he's got his contract, he's on six months probation, so he's ok. From the start he's performing really really well; three months into his contract we get the results of the medical back."

BMcN:

"Were the arrangements made in-house or by a contractor?"

Julian:

"We have a parent organisation that uses a contractor, we've used the same contractor for a number of years, who actually does the HR work. They have a company doctor. So this guy had to go down to London to see this company doctor. The report came back, which was obviously independent of his doctor. It turned out he'd been on Lithium for 25years. Anyway, the report came back, he's on Lithium, he's balanced, he's managing it, he's been managing it for a number of years, he has a partner in Edinburgh, and there is nothing to suggest that he won't perform. So ok, now we understand what the issue was, why he was a little bit odd if I can put it that way, he was sometimes nervous and sometimes on edge."

Julian has made a judgement that he does not have enough time or expertise to search the labour market. He has also concluded that to do this, the appropriate course of action is not to directly employ HR professionals but to pay a recruitment agency on an as and when required basis. His behaviour could be used to support the idea these organisations facilitate competition (Autor 2008). However, it also resonates with the arguments of Simon (1997), (1937) and Williamson (2007) about the role played by bounded rationality and transactional costs in the conduct of trade. Either way, Julian appears to feel this approach to recruitment gives him considerable confidence that the information he was being supplied with is accurate and job relevant. The reason being that he knows if the agency provides unqualified or unsuitable applicants, it will be putting its future at risk.

The candidate that emerged as the preferred one from those furnished by the agency was one who had a good work record, the possession of scarce highly valued skills, that were in excess of those typically demanded for the job, the ability to generate exciting ideas, an interest in the company who lived his life in accordance with valued social norms. Julian made it clear it was not customary practice to send recruits to the other side of the

country for a medical as a condition of employment. Furthermore, nothing in the preferred candidate's work history seemed to give him reason to do so. But because the candidate's behaviour at the interview raised the spectre of mental illness Julian did exactly that.

The information Julian had about his preferred candidate's past gave him no reason to demand more of this person than he would have of other recruits. Indeed one might have thought the possession of superior skills might have led the job applicant to reject these demands and go elsewhere. The behaviour of Julian and his preferred candidate is evidence of enacted and felt stigma acting as barriers to employment in an actual hiring decision. It indicates that in the real world people who have a history of poor mental health and employers believe they will have to settle for jobs for which they are overqualified. A scenario that suggests those of them who have only entry-level skills, people moving into the labour market after a long time on disability benefits, for example, will struggle to find a job unless the demand for labour is very high.

Julian's evidence indicates he consults HR professionals on an as and when required basis. Once more it appears the ability of this group of people to use their specialised knowledge of things such as equalities legislation, anti-stigma campaigns and work support programmes to influence how employers approach routine staffing issues is limited.

6.7 Employers and their reactions to job candidates with a history of mental illness in the presence of a pre-existing social relationship.

Earlier it was argued shared group membership can sustain employment after the onset of mental illness. Therefore it is not unreasonable to believe it could also influence how employers react to job seekers with a history of similar conditions. The evidence from Gavin, Gus and Michael indicates this is the case. During my meeting with Michael, who owned a coach hire business, he told me:

> *"I've taken on my boy to work for me as a driver."*

Michael and his son, as members of the same family grouping will have spent a considerable amount of time together, have a detailed knowledge of each other and have established roles within the family unit about how to report and deal with specific situations. It should, therefore, be unsurprising that he has given his son a job. But in another part of our conversation, he told me

"My boy has a mental illness."

It would appear that when someone has a history of mental illness, membership of one type of group, the family, can catalyse membership of another kind of group, the workforce, as long as they have job-specific skills. Arguments can be made that biological imperatives and legal rights of inheritance are in play here (Gilding 2005). It would be ridiculous to ignore this possibility. However, Gus and Gavin show that when biology and inheritance are stripped out of the equation employers still behave in a similar way to Michael. Gus demonstrated this when he talked about a family friend, who had been diagnosed as mentally ill, he told me:

"I have taken on somebody I know right now who has got a bit of a problem….. His family and my family go way back… He has outstanding skills, and I gave him a job because he can do it and because he needs something to sort him out right now."

It should be noted Gus is suggesting the person he hired is technically overqualified. As in Julian's evidence, stigma, felt and enacted, appear to be influencing the outcome of a recruitment decision, for both Gus and the new employee seem to accept a history of mental illness can be used to discount the value of labour. Gavin's evidence shows how the power of groups to shape the employment opportunities available to people with a history of mental illness extends to vicarious relationships:

"I took her on, on the basis of my employee's recommendation, I'm ashamed to say I've forgotten the lady's name, it was someone he knew, she may have been a teacher, she certainly had a pretty responsible job, she had been involved in a pretty bad car accident, as

a result she had physical disabilities, she also suffered brain trauma, which affected her personality."

The evidence from Gavin, Gus and Michael shows them targeting people who have the skills to do the job needing to be done. But the way that they are doing this cannot be understood as evidence supporting the arguments of Williamson (1975; 1985; 2000; 2007) about transactional costs. This is because the targeting is being done using non-economic relationships that existed independent of the vacancy. Gus and Michaels's evidence corroborates the position taken by Zelizer (2007) that intimacy plays a role in economic decisions and Gavins behaviour can be understood as evidence supporting the arguments from Granovetter (1985; 1995a), about economic activity being embedded in social networks. However, the discounting of the value of labour remains unexplained. This lacuna can be filled by reflecting on evidence from the literature that people are members of multiple groups the arguments of stratification economists, such as Darity (2005; 2009a). Darity's thesis is that historical injustices rooted in cooperation and competition within and between groups produce structural frameworks that make it possible for members of powerful groups to value similar investments made by members of various groups differently. Because people are members of multiple groups, the signals sent out by membership of one group can be used to mitigate or amplify the signals sent out by membership of another group. In the above scenarios, the benefits of being intimate with an employer or a member of their social circles are being offset by the stigma associated people who have a history of mental illness.

6.8 Conclusion.

This chapter looked at what employers regard as the most important sources of information about mental illness; how they have shaped their beliefs about this subject; their reactions to people who have a history of mental illness, what mediates these responses and what this means for their willingness to hire them.

It showed that employers believe the three most important sources of information about mental illness are medicine, the media and the workplace. From their evidence, it appears that while medicine provides the language used by employers to discuss mental distress

its educational role is limited for employers seem to be ignorant of the meaning of the terms they use and their associated symptoms. Concerning the media, the findings demonstrated a belief that celebrity culture, social media and rolling news has led to people with a history of mental illness being presented in a more positive manner. For the most part, employers were comfortable with this change, but they had mixed feelings about businesses being attacked for using negative stereotypes of mentally ill people to sell goods and services. On the one hand, they thought large firms should be called to account for improper behaviour but on the other, felt doing this to smaller companies could cause damage that is disproportionate to any harm caused. As for the workplace, this showed employers had widespread experience of their businesses being disrupted by employees becoming mentally unwell, that they were willing to respond to this development by making adjustments to the workplace, that this behaviour was independent of pressure exerted by HR professionals and that the changes they made were often ineffective. It would appear the catalysts for this behaviour is the mutual obligations, shared identities and organisational benefits that arise out of shared group membership. Taken together the sources of information employers draw on to understand mental distress appears to have led them to treat people with a history of mental illness with caution because they have generated a belief that the concept of mental illness is one with fluid boundaries that embrace real conditions with social or biological roots, which may or may not be temporary, whose presence is signalled by strange or unpredictable behaviour.

Employers response to their multifaceted understanding of mental distress is pragmatic. Unlike academia, they do not concern themselves with debates about ontology and epistemology. Instead, perhaps illogically given their beliefs, they accept the authority of medicine over the mentally distressed and the idea that a diagnosis provides an appropriate form of orientation. In the overwhelming majority of cases their beliefs have not led them to unconditionally reject the notion of employing people with a history of mental illness but when they are confronted by a job seeker with this background they do lead them to reflect carefully on what employing them could mean for them and their business. It is an approach that has led some of them to regard people who bear certain psychiatric labels, especially ones like schizophrenia, which they associate with violence,

as being unemployable. Everyone accepted the reflections of others could mean their recruitment decisions are influenced by stigma. However, no one accepted this could be said of them. Instead, they asserted their hiring decisions were determined by economics. It is a finding that casts doubt on the ability of anti-stigma campaigns such as "See Me" to change their attitudes towards people with a history of mental illness because if they don't believe they hold stigmatising attitudes, they are unlikely to see these campaigns as being relevant to their hiring practices.

Despite their concerns, more than half of the employers who participated in this study had knowingly hired people with a history of mental illness, and only two rejected the idea of ever doing so. Given their beliefs about and negative experiences of mental illness this is surprising. Unpacking what has been going on showed that when they hired someone with a history of mental illness, they tended not to do so as a result of open competition or the use of recruitment agencies. In the vast majority of cases, it was information generated by personal knowledge and social networks that prompted their decisions. From this, it is reasonable to believe many of the forces that were in play when an employer tried to support employees who became mentally unwell are also in play when employers hire people with a history of mental illness.

When these recruitment decisions are looked at more closely, it indicates that employers' protestations that stigma does not influence their hiring decisions are evidence of a lack of insight. In both scenarios, they not only believed the people they hired could do the jobs needing to be done they also thought they had skills that were superior to those typically required for the posts in question. As a result, it becomes reasonable to believe enacted stigma was used to reduce the cost of the labour they purchased. Furthermore, the willingness of their new employees to accept this behaviour suggests felt stigma was also influential here.

The work of Zelizer (2007) on the role played by intimacy in economic activity and the arguments of Granovetter (1975; 1985) about such activity being embedded in social networks can be used to explain the use by employers of personal relationships and social networks to make hiring decisions involving people with a history of mental illness. However, they struggle to explain why employers can discount the value of their labour.

Help in doing this is provided by evidence showing people are members of multiple groups and the thinking of stratification economists such as Darity (2005; 2009a). Darity argues historical injustices arising out of cooperation within and competition between groups produces structural frameworks that enable members of powerful groups to unfairly discount investments made by members of less powerful groups. It follows signals generated by membership of one group can be used to mitigate those sent out by membership of another. However, to take the discussion about the efficacy of the UK government's welfare to work policies further, it is necessary to clarify whether this behaviour is evidence of employers' normal labour market behaviour or an idiosyncrasy induced by the shadow of mental illness. To unpack this, it is necessary to identify employers' beliefs about what shapes their demand for labour and how they engage with the labour market in the absence of mental illness. It is the first of these topics that will be discussed in the next chapter.

Chapter Seven:

What private sector employers think shapes their demand for labour.

7.1 Introduction.

The second third and fourth chapters showed differences in belief are important: how a problem is framed determines how it is addressed. If the UK government does not share employers beliefs about what is involved in trading for labour, it calls into question the ability of its welfare to work policies to increase their demand for labour from jobless people who have been disabled by mental illness. The previous chapter looked at how employers deal with job seekers with a history of mental illness. There the possibility emerged that such a difference may exist. To explore this further the discussion in this chapter will draw upon the economic and sociological literature on the labour market to examine evidence from employers about what they believe shapes their demand for new employees.

It will start by looking at what employers think creates a demand for labour and how they view it compared to other commodities they use to produce goods and services. Following this, it will investigate the attributes they find desirable in a supplier of labour and what they take into account when deciding to recruit a new employee. In the course of doing this, there will be a reflection on the roles played by risk, uncertainty and fear of harm, which will consider the topics of complicated and complex systems and subjective and statistical risk. Then it will examine the alignment between the beliefs of employers about hiring labour with how they behaved when they took on people with a history of mental illness. Finally, the chapter will draw to a close by highlighting any differences between employers and policymakers about their perception of the labour market and what this might mean for how employers engage with it.

7.2 When an employer looks for a new employee.

Ross captured everyone's opinion about recruitment when he said:

"Nine times out of ten it would be driven by two things: it would be because somebody is leaving or winning new business, which by definition means growth."

There was also a consensus amongst them that in the current economic environment a worker moving on did not mean an employer would automatically enter the labour market, as Craig shows here,

"If somebody goes the first thing I ask myself is do we need to replace them?"

The explanations employers gave me for these approaches was summed up by Glen, when he said hiring staff is,

"Is an economic commitment, it is something a company will take very seriously because for this commitment there has to be a justification for doing so economically, so there will need to be a return on the investment."

Given this, it was unsurprising to find everyone thought recruitment decisions are heavily influenced by the level of demand for the goods and services produced by their business. It follows that there is a reason to believe employers will, for the most part, agree with the neoclassical argument, which is that labour is a derived demand: something that can only exist when the marginal product revenue of labour is greater than its marginal cost (Ehrenberg and Smith 2012). In other words, employers will only hire new employees if they think they can profit from it.

However, every employer thought deciding whether a purchase of labour would generate a profit was different from making a similar decision about purchasing other resources. Robert explains why:

"You need to have employees who are not just there for the money.... who enjoy their work."

Evidently, employers believe the feelings of well-being staff obtain from work influences the quantity and quality of the labour they provide. Such a belief is incompatible with the idea labour can be separated from its supplier like any other commodity. It indicates that when they are looking to purchase labour, they will not only be looking for a type of labour they will also be looking for a kind of person. What this means in practice will be part of the discussion in the next section.

7.3 What an employer looks for in a new employee.

If employers look on employing people as an investment and they believe certain types of people produce the best returns, then the next question is what personal attributes do employers look for when they have a vacancy to fill? Frank described one every employer thought was desirable:

> *"Relevant experience; especially in a similar organisation, I want to recruit someone who is doing this job now, preferably in an organisation that's bigger, better and whatever than what we are. I can bring them in and benefit from their experience from day one. Literally, the training process is you get to know our company."*

Frank is echoing evidence from the previous chapter, which indicated possession of job-specific skills was a significant influence on employers when they hired people with a history of mental illness. It also resonates with findings from the literature about the importance of job-specific skills to employability (Van der Heijde and Van der Heijden 2006). It suggests, for the most part, that employers will be less likely to hire someone if they have to train them. However, they may train them once they have hired them because as Margaret shows, they also want people whose skills can be enhanced:

> *"If they have qualifications it shows the potential for future development."*

At first glance, the attitude of employers seems aligned with work on education by neoclassical economists such as Becker (1993). He argues that when job seekers use their agency to signal a willingness to align their skills with market requirements, they will

obtain employment. However, the willingness of employers to train employees after they have worked for them for a while suggests this alignment is only partial. Further support for this interpretation of the evidence is provided by reflecting on another attribute that every employer desired in a new employee. Richard revealed what this was when he told me,

"I want someone who can work as part of a team."

According to neoclassical economics, the purchase of labour is a spot event. One, where the price mechanism matches supply and demand at a particular point in time in a way that excuses the purchaser from having to consider the past, be concerned about the future or think about the effects of their actions on others (Ehrenberg and Smith 2012; Mandel 2012; Dutt and Wilbur; 2010). Demanding people to be able to work as part of a team raises the issues of asset specificity, opportunism and transaction costs (Williamson 1975; 1985). It also brings into play questions of history, identity, mutual obligations, and who is an insider and who is an outsider that have been highlighted by Veblen (1899), Commons (1909; 1931), Granovetter (1985; 1995a), Hall (1990), Handy (1993) and Darity (2005; 2009a). Either way, it indicates that once a decision has been made to fill a vacancy, employers view the outcome of that decision as an uncertain threat to workforce stability, productivity and profitability. Making an internal appointment could disrupt the team because the new post holder is different from the previous occupant. Recruiting someone from outside the company could also disrupt the team because it could lead existing employees to believe their work is not valued properly. By indicating they believe interfering with the makeup of groups is potentially dangerous, employers are showing their thinking, regarding the hiring of staff, may echo arguments about uncertainty made by the old institutional economics, stratification economics, or the new economic sociology.

Andy, Billy, Brendan, Frank, Gavin and Ross spoke for their peers in telling me what they take into account when deciding whether someone will be a good fit with a workforce team. Billy said he would want to find out,

"Whether there have been issues with them in the past, maybe with sickness and health."

Frank pointed out that a willingness to be flexible was important:

"I want them to show they are willing to come in early when it's needed and to stay in late when they have to."

While Brendan pointed to presentational skills being important:

"I want people who look the part."

Ross and Andy told me how employers identified individuals with these attributes. Ross said:

"They have to turn up at the interview looking like the job is important to them, like they've made an effort to impress me."

While Andy's evidence highlighted their employment background,

"Look at their job history, if they have had two or three jobs a year; if it's erratic then no."

Gavin showed that he agreed with Andy when he said,

"If there are gaps in their work history, then they're going to have to have a good explanation for them."

Evidently, employers want to fill vacancies with people who can signal the job they are applying for is important to them. Job seekers that can show they have a solid work record, which demonstrates they have the skills to do the job; the ability to use those skills predictably, the capacity to support their colleagues and the flexibility to respond to the changing needs of the business. However, it also shows that they are concerned about their ability to find people with these attributes for they use information about the past to predict how a supplier of labour will act in the future. From this, it is evident they do not believe the price mechanism contains all the information necessary to make a recruitment

decision. An important consequence of using the past to predict the future is highlighted by Frank:

> "Once you've been out and you've been out for any length of time it's very hard to get back in."

Frank's evidence echoes the literature on employment, which shows the longer someone is out of work, the more likely they will remain jobless (Koen et al. 2013). UK government statistics indicate more than half of the people who receive disability-related benefits because of their mental health have been out of work for more than two years (DWP 2015a). Absence from the labour market of this length suggests their mental health problems are chronic and that many of their job-specific and work-related skills will be rusty or out of date. In other words, they are unlikely to possess all of the attributes employers seek in new employees. As a result, it becomes reasonable to believe many people with a history of mental illness will struggle to convince employers to hire them.

The indications are as the Scottish economy continues its move away from manufacturing towards services this struggle will become harder. Why becomes apparent by reflecting on evidence from Niall, the owner of several bars and restaurants. His testimony is typical of evidence from employers working in the service sector. He told me:

> "What is really difficult is to find people with the knack of how to deal with people or who have good communication skills."

He then elaborated on the importance of communication skills:

> "You've got to deal with situations involving people…My biggest concern is to try and make people comfortable, to seek to make people want to come in, make them feel welcome. I think the most important thing is dealing with customers rather than being the best at pouring a drink for instance. You can always learn that."

In the service sector, customers can be described as the leaders of workplace teams. Here, customers are often the judge of how good a worker is at their job. Consequently, when people are looking for work, they must be able to signal to employers they are an

appropriate social fit with customers and existing staff. Doing this means job seekers must be able to convince employers they can navigate paths through obstacle courses comprising of social norms, individual character traits and conflicting and contradictory demands. The aim of this being to ensure customers enjoy feelings of importance and come to believe the employee desires to provide them with a more comfortable and enjoyable experience than they could obtain elsewhere (Hochschild 2012). There is more to this than being able to chart a course through a collection of static obstacles. These obstacles will constantly change as a result of how the employee, their colleagues and the firm's customers feel. Here customers can allow their feelings to inform the signals they send out while employees must strive to prevent this from happening. Hochschild (2012) has described this type of work as emotional labour. She provides evidence that successfully performing it requires more than a talent for acting. It demands workers continually rearrange their mental wiring to prevent their subconscious from informing how they react to the variety of social stimuli generated by the workplace. She argues using this ability incurs psychic costs, which can pose a threat to the worker's mental health. It is an argument whose potency is enhanced by evidence from the UK, which shows work-related mental health problems are in the increase (SCMH 2007; Davies 2014) and that they are increasing fastest amongst occupants of service sector jobs that require dealing directly with the public (Johnson et al. 2005). With the Scottish economy becoming increasingly dependent on the service industry for jobs the indications are that employers, all things being equal, will become less likely to view the jobs they have on offer as being suitable for people who have a history of mental health problems.

From what has been said up till now, it appears employers divide the workforce into insiders who will be considered for employment and outsiders who won't on the basis of work history, personal presentation, current employment status, skills levels, signals about flexibility, the potential for development and, as the economy becomes more service orientated, the capacity to manage conscious and subconscious responses to stimuli. Dividing the workforce into insiders and outsiders in this way indicates employers believe recruitment is a dangerous activity and that the price mechanism does not provide them with all the information they need to make a hiring decision. To

investigate this further the next section will look at the hazards that employers associate with searching for labour.

7.4 The hazards involved in searching for a new employee.

When it came down to it, every employer thought there was only one danger associated with recruitment: that the costs might outweigh the benefits. Every employer thought there were two types of cost associated with recruitment: those incurred in searching for labour and those linked to recruitment failure. Gavin talked about the first of these when he told me,

> *"The business I am in here is very tight on costs…it's not as if we have £750K to play about with on recruitment, we don't have that sort of slack."*

No one thought the costs associated with the search for a new employee were likely to become hazardous because a business can impose preset limits on the amount of time and money spent on this endeavour. On the other hand, everyone thought controlling the costs associated with recruitment failure was problematic. David told me this is because once you've decided to hire someone,

> *"You don't know what you are going to get."*

David then went on to show what this could mean:

> *"We had an engineer who we only had for seven or eight weeks; he physically assaulted a customer."*

David's business involved installing and servicing equipment in people's homes and other businesses. Naturally, he was concerned about how his existing staff and customers would react to hearing about these events and what it would mean for his business' reputation. Deciding a recruitment decision was a failure because of a single incident was unusual. It was far more common for this conclusion to be reached over time as a result of several events, as Anna and Craig demonstrate here. Anna talked about a new member

staff performing their work in a way that clashed with her business's established way of doing things:

> "*We recruited somebody who was hugely gifted but who had an appetite for causing disturbances in an organisation. That's just what they do; they do that divide and conquer stuff. We're a young fast-growing business. They obviously thought that if they got in early, they had an opportunity to get to the top. Anyway, that aggressive and competitive behaviour doesn't fit in with how we do things here, and it came to a head, and they were invited to go.*"

Whereas Craig talked about hiring somebody that failed to give their job the priority the businesses management expected them to:

> "*Within the first week he was calling in to say he would be late because of this, or he couldn't do this shift because of that, at first we tried to accommodate him but after a few weeks nothing had changed, at times he even started trying to change things he had already changed and sometimes he just didn't turn up. It was a situation that was hugely disruptive.*"

Why an employer continues to employ someone after they have shown they are a problem is more than complying with the legal requirement to use due process before dismissing them. If a lathe fails to work according to the warranty provided on its purchase, the buyer can legally compel the supplier to provide another machine, demand the costs of its purchase be refunded or seek another form of compensation. If after the warranty expires, the lathe breaks down the purchaser can replace it with a new one without the threat of outside interference. Labour is different, the influences on an employer-employee relationship are complex. It is impossible for a written contract to capture and benchmark all the relevant factors that arise from these. As a result, the quality and quantity of labour provided as part of a contract for labour will be subject to continual negotiation and renegotiation (Ehrenberg and Smith 2012; Brown et al. 2011). Consequently, the quality and quantity of labour provided as part of a contract will

continuously vary during its lifetime. Therefore, employers must take the time to balance the problems that could be created by rejecting an existing supplier of labour against those involved in searching for and hiring a new provider. Because of this, hiring someone can create a bilateral monopoly situation, whose existence will vary in length. It is a situation that can be explained by utilising the arguments of Schein (1992; 1996; 1999) about business culture or those of Williamson (1985; 1988) about transaction costs.

It is at the end of this balancing act that due process enters the equation for the law sets out requirements an employer must satisfy when terminating an employer-employee relationship. Failing to comply with them carries the threat of having to absorb the costs associated with legal action. It would appear some employers, especially the smaller ones, are unaware of how to meet these requirements or how to avoid those costs. Richard shows this with the following story about the events that led him to an industrial tribunal,

> *"I sacked someone for turning up drunk on a site, they were a danger to themselves and others, it turned out they were an alcoholic, I didn't know this, but apparently you can't sack alcoholics for being drunk at work. Anyway, that decision cost me a lot of money; it's an experience that makes me think twice about taking people on because at the back of my mind I'm thinking what might this cost me if it goes wrong."*

Richards's belief that you could not dismiss somebody whose health is causing them to misbehave at work was widespread amongst the smaller employers. Amongst those who voiced similar views were Billy, George, Michael and Thomas. It is a mistaken one: legally an employer can dismiss someone who is behaving incorrectly at work, but they cannot sack them on the spot. Due process must be used to establish whether dismissal is justified and whether the dismissal is for conduct or capability (East Lindsay District Council v Daubrey 1977 IRLR 181). The ACAS code of practice on disciplinary and grievance procedures (ACAS 2009) outlines how Richard should have behaved. He could have immediately sent his employee home while he investigated why events developed as they did. In this case, they were influenced by a medical condition so as part of the investigation Richard should have sought medical advice about whether the health of his

employees made them incapable of doing their jobs. Once the inquiry had been completed, Richard should have informed his employee of the results of the investigation, met with him to discuss them, gave the employee the right to be represented at the meeting, decided on a course of action and provide the employee with the opportunity to appeal against an adverse decision. Richard said he was unaware of this until after the tribunal hearing. It was evident from the way he described these events that he was annoyed by the way they played out. Clearly, there are costs associated with this process: the employer will have to divert resources away from production towards investigating what has happened, and while this is going on they may have to decide whether to operate while being short staffed or take on additional staff. These factors are likely to have a disproportionate impact on the ability of a small business to compete against their rivals, and they could give rise to a narrative of you can't sack people with disabilities, or it is too expensive to sack them, so it is better not to take them on. Every employer I spoke had or knew of experiences like Richard's, and it made them reluctant to take on staff when they had a background signalling the potential for future difficulties.

The expense associated with searching for a new employee, judging whether the decision to recruit was correct and ensuring the process used to reach this judgment is appropriately aligned with legal duties are all what Williamson (1995; 2007) would describe as transaction costs: ones that must be incurred in order to compete in the market. The evidence indicates these costs are a significant influence on an employer's decision to recruit. Frank talked to me about how the threat associated with these costs varied with the size of the firm:

> *"In a larger company even when it goes terribly wrong, ok you're probably on three to six months probation, if it's a complete disaster, and I've had a couple of those unfortunately, you lose them after three to six months and you move on; and you go through the process again. In a small or medium-sized company, if you make a mistake even at a middle level that can be a major blow for you, you don't have six months."*

When I asked Frank what he meant by major blow, he said:

"It could put you under."

Michael demonstrated that this was not hyperbole in a way that showed going under could be a personal as well as commercial experience:

> *"There's a guy I know, he used to own a business, I used to work for him before I went out on my own, he had this manager who was dipping the till, which was one of the things that sent his business tits up, I mean he lost everything, he started drinking his wife divorced him, he got kicked out of the house. This guy was minted, I mean kids at private school and everything, and he lost it all, now he's going from pub to pub trying to cadge drinks."*

The evidence suggests recruitment failure is a common problem and that employers fear the damage it can cause. The human resources literature offers corroboration for this. A survey by the CIPD in 2009 found the average cost of recruiting a new employee to be around £6,000; while a study by Oxford Economics in 2014 estimated the average cost of staff turnover to be close to £30,000[44]. In some industries in the UK, mainly low paid private sector ones such as retailing, hotels, catering, leisure and call centres, which are the ones that the UK government expects to absorb people with a history of mental illness that are moving off disability benefits, recruitment failure runs at between 30 and 40% (CIPD 2009). For a small business, the effects of these costs can be considerable, which gives rise to the possibility that the courts may view it as unreasonable to also ask them to absorb the costs of making adjustments to the workplace to accommodate disabled people. Given these businesses account for 48% of private sector employment in the UK (FSB 2014) the possibility emerges that a significant proportion of the trade in labour will be conducted beyond the reach of the Equality Act 2010.

There is no doubt appointment failure is undesirable, and it is easy to understand why small businesses might see it as being potentially disastrous: over 60% of the owners of small businesses are self-employed, and some of them risk losing everything they have if

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[44] These costs are not just related to searching for labour or recruitment failure they also include those associated with the normal process of staff churn and the enhanced overtime payments to existing staff that arise from working short staffed.

their business fails. It was not immediately clear why employers working for larger firms felt recruitment failure could be disastrous. Obviously, failed appointments at the most senior levels could be catastrophic, but it was harder to see how this would be the case for the junior posts, which are the ones most people moving off disability benefits would be eligible for. Frank clarified this when he told me:

> *"You only recruit for direct reports."*

In the private sectors, many employers are also employees who are responsible to more senior managers in the business. Frank said that in such circumstances when recruiting staff,

> *"You are analysing your own risk."*

Even in relatively small businesses, the authority to recruit is delegated downwards sometimes to quite a low level (Mintzberg 1990). As an employee, they are responsible to other employees higher up the chain of command for the outcomes of their decisions. These inform judgements about competence and ability that can threaten their existing employment status and prospects for promotion (Handy 1993). It appears that for the most part, the threat posed to a business and its owners by failed recruitment decisions is inversely proportional to the size of the business; however the evidence from the employers I spoke to who made hiring decisions indicates they feel the threat posed to them by getting a recruitment decision wrong is relatively constant.

Given the frequency of recruitment failure and its potential to cause calamity, it is reasonable to ask why it happens and why are employers unable to prevent it from happening. Glen captures the consensus about why it happens:

> *"Fit with the culture is quite important. Really that is why most people fail in organisations."*

Studies conducted by Meglino et al. (1989) and Sheridan (1992) support Glen's position. They identified clashes of values between employers and employees as the greatest influence on staff turnover. Presumably, the people hired by Anna, Craig, David and Richard performed well on whatever screening tests they used. However, their failure to

identify a suitable recruit does not mean their approach to recruitment was substandard. Cultural fit is a difficult concept to define or identify at an interview (McDonald and Ganz 2006). It indicates an important arbiter of an appointment's success is the ability of employers to determine the parameters that contribute to cultural fit and then define and measure them. Accepting this as an explanation for recruitment failure raises questions about the role played by risk and uncertainty in the recruitment process.

7.5 The role of risk and uncertainty in the recruitment process: why employers think hiring staff is always hazardous.

The employers I spoke to said that any investment in labour has to be justifiable. They have also all admitted to making recruitment decisions that failed. If one assumes these people are not reckless or negligent, a reasonable assumption given the success and longevity of the businesses they own or work in, their experience implies there is no guarantee about the outcome of recruitment decision. It points to hiring decisions being something of a gamble. Inherent in gambling are questions regarding risk and uncertainty. Evidence showing employers use the past to predict the future points to a process of risk management being undertaken: by looking at the rhythms and patterns of their environment they can make rational decisions about the future. However, the costs associated with recruitment failure and the inability of employers to prevent it points to uncertainty also playing a role. Every employer who spoke to me thought this was the case as Gavin shows here:

> *"You could take someone on with the greatest CV in the world, but when he is actually doing the job, he could be a disaster."*

For the most part, employers often used the words risk and uncertainty interchangeably but as the conversations went on it became apparent that the majority of them differentiated between these two concepts as Frank shows here:

> *"In the larger organisations you've got the resources to employ good agencies, good headhunters, to go through a very structured and expensive process in terms of finding a candidate…..the smaller the organisation, the more recruitment becomes about managing*

uncertainty; not managing risk, because you don't know what the probabilities are."

Risk and uncertainty are two topics absent from the literature on mental health and employment. An explanation for this is that risk and uncertainty are related to strangeness; unpredictability; deviance and danger (Taleb 2010). These characteristics are commonly associated with mental illness (Aneshensel et al. 2013; Bentall 2003; Foucault 2006; Rogers and Pilgrim 2010; Szass 1987). Because it is employers that are indicating that trading for labour in the market involves risk and uncertainty their absence from the literature on mental health and employment is something that needs addressed.

It will be recalled the concepts of risk and uncertainty first came up in 'Chapter Three' when different understandings of economic activity were discussed. On one side were the neoclassicists who took the reductionist position that systems are the sum of their parts and when they are allowed to function normally there will be no such thing as uncertainty only risk (Savage 1972). Here the results of human decisions as presented as being the product of a closed system, which complexity theorists would identify as complicated (Reitsma 2003). On the other side were the old institutional economics, the new institutional economics, stratification economics and the new economic sociology. With the exception of the new institutional economics, who argue the world is uncertain because of asset specificity, bounded rationality and opportunism (Williamson 1975; 1985) they were all open to the argument the world is uncertain because reality is a dynamic system where outcomes cannot always be reduced to their component parts (Hodgson 1998; Rutherford 2001; Darity 2009b and Granovetter 1985; 1995a). From the perspective of the old institutional economics, stratification economics and the new economic sociology human decisions are part of what Manson (2001) calls an open complex system. Complicated systems are qualitatively different from complex ones (Reitsma 2003). Ultimately, every part of a complicated system and how they interact with each will be knowable as will the odds of every potential outcome they can produce. Complex systems are open and dynamic. Their components can vary over time as can the results they produce. Consequently, every outcome and the odds of it occurring are not knowable with any certainty.

The literature on risk and uncertainty frequently uses the metaphor of a game to explain how someone tries to achieve a particular outcome from given circumstances. For an employer, the aim of the game is to secure the services of an employee who can fulfil their need for labour at an acceptable cost. There are two approaches in the literature to risk and uncertainty. On the one hand, there is the approach taken by Savage (1972). He presents decisions about the future as being confined to a set of events that are believed to be possible, where the probability they will occur will inform their price. Here, reality is qualitatively but not quantitatively similar to a die: it is a complicated closed system, where all outcomes and their associated probabilities are subjective and known. In Savage's approach, there is no uncertainty only risk. The use of Bayesian probability by neoclassicists and bounded rationality by the new institutional economics are attempts to present the market as such a system. The former approach theorises uncertainty out of existence by presuming people make decisions based on what they believe rather than objective reality. The latter argues that although cognitive limitations and asymmetric distributions of information create uncertainties, people strive to act rationally when it comes to economic decisions. On the other hand, there is the tack taken by Knight (1921). Here, reality is an open complex and objective system where risk and uncertainty are different but related phenomena. As before risk is calculated by reference to probabilities that are constructed out of past events. But, because the system is open these probabilities are historical: a statistical representation of the past. Using them is problematic because some events cannot be predicted by reference to anything (Taleb 2010). It can be implied from Knight's arguments about risk and uncertainty that systems which appear subjective, complicated and closed will occasionally produce unexpected results not just because of imperfect knowledge but also because of evolution. It is a view of the world that resonates with the approach to economic analysis of the old institutional economics, stratification economics and the new economic sociology. Now that we have discussed the nature of and relationship between risk and uncertainty we can now move on to look at the roles employers believe that they play in the recruitment process.

7.6 The role of subjective risk in an employer's search for a new employee.

In Savage's (1972) model of subjective risk a decision maker can be assumed to see the world as a set S of every possible state; a set C every possible consequence of every possible course of action and a set F consisting of these actions. The relationship between the sets in the decision-making process is that a decision maker can map from the set of events S to the set of consequences C via the set of actions F. After an action has been taken its consequence becomes a state and part of set S. The likelihood a decision maker will take a particular course of action will be established by ranking the set of consequences in the order of the product of the satisfaction and subjective probability they associate with an event. Here, the former is a matter of individual taste while the latter a question of personal belief. The values allocated to taste and belief will be decided on by reference to past patterns of personal choice. From this perspective, the probability that a course of action will be taken can now be understood as something that is rational, subjective and calculable.

Presenting risk as state-independent theorises uncertainty out of existence: no matter what state the decision maker resides in, they will believe it is possible to achieve an outcome that is a member of the set C of possible outcomes. By quantifying beliefs about the occurrence of an event and the desire for that event and presenting someone's decisions as being the products of those beliefs and tastes, this model of decision making offers an explanation for why individuals with the same information make different decisions, why people require different amounts of information to make a decision and why they often make decisions when they don't have to. As long as a decision maker perceives an event as a possibility no matter how remote, they will gamble on an event taking place if they believe the utility produced by doing so is sufficiently high (Plumpton Ramsey 1925; de Finetti 1937 cited in Taleb 2010).

Karni (2005) has criticised the idea of state independence. He points out it fails to make a distinction between an event the decision maker deems to be impossible and one that they don't care about. To illustrate his point he provides an example of a person taking a flight who is indifferent to the consequences of his death, even if the plane is poorly maintained

and likely to crash the value allocated to the likelihood of such an event will be zero. In the same paper, Karni also uses disability to critique state independence in a way that recalls Scambler's (2009) insight that medical labels indicate a real difference. He does this in two ways: by pointing out that different impairments will influence a disabled person's attitude to risk. For example, hearing voices could result in someone listening to music even though they would prefer to go for a walk, while someone with a hearing impairment might prefer to listen to music but because they can't, they go for a walk. In the light of an economy that is moving from manufacturing to services and from demanding physical labour to emotional labour this is an important point to make for it indicates the symptoms of some mental illnesses will influence the ability of people to engage with the labour market independent of the possession of appropriate work-related attitudes and abilities.

Despite these criticisms of subjective risk and state independence, every employer I spoke to provided evidence Savage's position on risk and uncertainty resonates with their own, at least in part, as Julian demonstrates here:

> *"If it's a technical job something I can put boundaries around, then you know the skills sets you're looking for."*

This opinion was echoed by Glen, who said:

> *"You're unlikely to get the technical skills and attributes side of things wrong."*

The employers I spoke to all appeared to believe identifying technical competence is a question of subjective risk. They felt they had the experience to test the claims of job seekers about their expertise. None of them thought this meant they were guaranteed to be able to recruit the most technically skilled candidate but they did believe they were sure to identify someone who was competent. A way of looking at this is that an employer who wants to recruit someone who is competent to do a particular job is in state S. Experience will enable them to identify and test for the necessary skills. Experience will also allow them to rank each mix of skills by desirability and to estimate the

probability they will be able to hire people with given combinations of skills at particular prices. The potential outcomes can be understood as the set of consequences C. The employer will also use their experience to select from set F, a course of action such as drawing up a job description and a rewards structure that will map them from set S to set C in a way that will maximise their satisfaction.

Where the employers I spoke to departed from Savage's worldview can be seen by reflecting on the following comments from Andy and Richard. Andy said

> *"I want my staff to want to socialise with each other to enjoy each other company I think if they do this it raises morale, and it helps the business."*

While Richard told me:

> *"I want people to be happy when they come to work: I want people to want to be here."*

Once again, the social aspect of work raises its head. Neoclassicism and the new institutionalism both presume employees prefer the utility of leisure to the disutility of work (Ehrenberg and Smith 2012; McMaster and White 2013). Every employer I spoke to indicated they wanted their employees to see work as having an intrinsic value. Wanting workers to be happy is not necessarily a demonstration of altruism for it is a widely believed that happiness and productivity are interlinked (Cropanzano and Wright 2001). As such, Andy and Richard's attitude can be interpreted as evidence they are keeping an eye on the bottom line. This finding reinforces one made earlier in the discussion, which was that no employer thought a search for a new employee was a merely a question of making a series of discrete recruitment decisions based on which job applicant offered the greatest individual ratio of profit to cost. They all thought a new employer had to be a social fit with their current employees and increasingly with customers. Karl spoke for his peers when he told me what he thought the consequences might be of getting that fit wrong:

> *"It could destroy the makeup and camaraderie of that team. That could impact on the whole performance not only of the new employee but also of other employees."*

Everyone thought a job could be broken down into the sum of its parts. No one thought the same of workplace teams. It appeared they believed a team was what Manson (2001) and Reitsma (2003) would call an open complex system: something that could transform a collection of people into something distinct from its constituent parts. This characteristic led them to conclude that if a new recruit was not to harm a businesses ability to compete successfully, they had to be compatible with its existing social structure. Earlier, when discussing employers opinions about identifying someone with appropriate work-related skills their views seemed to echo the views of the neoclassicists and the new institutionalists. Now, it appears that with respect to cultural fit their opinions resonate more with the work the the old institutional economists such as Veblen (1899) and Commons (1931); Stratification economists such as Darity (2005; 2009a); and new economic sociologists such as Zelizer (2007) and Granovetter (1985; 1995a) on the symbiotic relationship between intimacy, social structures, group identities and economic decisions.

7.7 The role of statistical risk in an employer's search for a new employee.

In the previous chapter, Michael said he had employed his son; Gus indicated he had hired a friend of the family and Gavin told me he had taken on a friend of one of his employees as the result of a personal recommendation. Evidence employing someone on the basis of biological or social connections is not behaviour limited to acquaintances that have a history of mental illness is provided by Karl. He told me that to get people who would be a good fit with his existing workforce team he wanted,

> *"People that are similar to those I've already got."*

From what has been said so far it appears that employers identify such people by using a two-part process. First, they bound the pool of labour that will be considered for employment on the basis of a prior judgement (Bryman 2008). Then they finesse the search by using the information they have about potential sources of labour to identify the

extent of any overlap with the existing workforce. In effect, they are selecting a sample P from a population R that display similar characteristics to their current workforce Q on the basis that refining the sampling process by choosing a person S from sample P will be more likely to identify someone who will fit in with the people from group Q. It is a process that can be described as the drawing up relative frequency tables for the workforce, and the job candidates, which can be used to create what statisticians call probability density functions (Chatfield 1983; Ehrenberg 2007). The greater the overlap between these probability density functions the more likely a job candidate will be a fit with an existing workforce team. However, the predictive power of these functions will always be subject to a degree of uncertainty because they depend on information whose volume and accuracy can always be increased or improved. It is an approach that sits comfortably with the ideas of Williamson (1975; 1985; 2000) about transaction costs; Darity (2005; 2009a); about cooperation within groups and competition between groups; Granovetter (1985; 1995a) about the embeddedness of economic activity in social networks and Zelizer (2007) regarding the role of intimacy in commercial actions.

Arguing employers use statistical methods to measure social fit is open to the charge of mathematical overreach for, as was noted earlier, the parameters involved are difficult and possibly even impossible to identify, define or measure with any real rigour. However, this is drawing too strong a distinction between the mathematical and the social. Habits are rooted in observations made over time that doing X will result in Y. It follows that at one time a calculation about an outcome has proven accurate and that this accuracy has repeatedly held good over the passage of time, even if the parameters that produced that outcome have not been clearly identified or defined. In other words, employers know from experience some courses of action are more likely to produce desirable outcomes even if they don't know why.

7.8 Conclusion.

The evidence shows employers tend to look for new employees when an old employee moves on, or there is an opportunity to grow the business. It indicates their beliefs about the demand for labour are aligned with neoclassical theory in as much as their demand for labour is created by a situation where existing suppliers of labour cannot satisfy the

demand for a business' goods and services. In layman's language, an employer will hire someone when they think there is a profit to be made by doing so. However, this alignment is only partial because they also believe that the quality and quantity of the labour is to some extent dependent on the well-being of the supplier.

When an employer looks for labour, they want people who can demonstrate five things: up to date job skills, predictability, flexibility, the potential for future development and the ability to fit in with existing workforce teams. To identify someone with these attributes: they use evidence about a job candidate's past to reach a judgement about future outcomes. This use of history indicates people with a history of mental illness, who are moving off disability benefits, will struggle to find work because their conditions make it more difficult for them to signal possession of attributes employers find desirable in job seekers. The indications are this struggle will become more challenging as the Scottish economy moves away from manufacturing towards services because it means customers will increasingly become the leaders of workforce teams. As a result of this development, job seekers will increasingly have to demonstrate an ability to induce in customers feelings of importance and well-being. Something that demands the ability to continuously rearrange their internal psychological wiring (Hochschild 2012), which the evidence indicates is behaviour that will threaten workers mental well-being (Johnson et al. 2005). In such circumstances, it is likely that employers will become more cautious than they are now about employing jobless people who have been disabled by mental illness.

The use of the past to predict the future indicates employers regard recruitment as a hazardous activity with an uncertain outcome, which means they do not believe the price mechanism generates enough information to protect them from harm. The potential for harm lies in the possibility the costs involved in hiring labour will outweigh the profits it makes. Employers appear to believe recruitment costs have two sources, those relating to searching for labour and those associated with getting a hiring decision wrong. They do not seem overly worried about managing search costs because they can pre-set the budget, but they are concerned about the costs associated with recruitment failure. The root of this concern is their belief recruitment involves risks and uncertainties. They look

upon identifying someone with the skills to do the job needing to be done as a matter of subjective risk because they believe their knowledge can guarantee they will find an appropriately skilled person if not the most skilled person. But, they look upon finding someone who is a fit with the existing workforce team as a matter of uncertainty because they cannot determine the success of a recruitment decision until sometime after the appointment has been made. Consequently, they look for suppliers of labour from a similar social background to those working for them in similar posts.

The evidence shows employers working for businesses of all sizes believe the outcomes of recruitment decisions are uncertain and potentially harmful to them and because of this they prefer to target sources of labour whenever they can. It suggests their behaviour when they hired people with a history of mental illness is evidence of how they normally go about identifying new members of staff. Clearly, the view of the labour market held by employers and their practice when they engage with it are different from the assumptions of policymakers. The next chapter will discuss this practice in more depth and how it has been influenced by the UK government's welfare to work policies.

Chapter Eight:

Employers' recruitment practices and the influence of the UK government's welfare to work policies.

8.1 Introduction.

Here the sociological and economic literature will be used to explore the evidence from employers about how they address the potential for harm they believe is inherent in making recruitment decisions and how this has been impacted by the UK government's welfare to work policies. It opens by investigating the sources of information used by employers to make recruitment decisions: how they rank them, why they rank them in the way they do and the circumstances that govern their use. From here, it will move on to examine the degree of overlap between employers actual use of HR professionals and the assumptions of policymakers. After this, it will look at how the Equality Act 2010; 'See Me' anti-stigma campaign and the 'Work Programme', 'Work Choice' and 'Access to Work' vocational support initiatives have influenced their hiring decisions. In the course of doing this, it will draw on agency theory and research into the contracting out of welfare to work services in other countries to discuss the attitudes of employers to the businesses with 'Work Programme' contracts. Then, it will come to a close by reflecting on what we have learnt about the engagement of employers with the UK government's welfare to work policies.

8.2 How employers search for labour.

The discussions with employers revealed they identify recruits in four ways. They use information provided by personal experience; the experiences of people they trust; recruitment agencies in return for a fee and market competition between jobseekers generated by an advertisement. This section will discuss what employers thought about the effectiveness of each of these approaches and what tells us about how they search for labour.

8.2.1 The use of Personal experience by employers as a recruitment tool.

An indication of how employers working in smaller and medium-sized businesses look upon knowledge gained by personal experience is provided by Robert and Frank. Robert, who runs an electrical contracting company, told me:

> *"I only employ people I have a history with."*

Frank, whose experience ranges from starting and supporting small businesses in various parts of the country to working as a director in a multinational company described how he recently went about hiring a new member of staff for a medium-sized training firm he is involved with:

> *"How I recruited him was, I basically acted like a stalker. I didn't do anything other than obtained the telephone number of our biggest rival, and I tapped him up, and I met him three times and offered him the job. He had absolute direct experience; I didn't want to even see two or three candidates, I wanted him."*

Behaviour such as this, suggests employers working for smaller businesses believe knowledge gained independently of a vacancy as a result of personal experience is the gold standard. A contrary position has been taken by Cassell et al. (2002) who argues such behaviour is the result of resource poverty. If this is the case, it would suggest employers working for larger companies would think and act differently. Brendan, who is a board member of a large media company with international interests, captured the views of people like Julian and Ross who had worked in senior positions in large private sector organisations when he told me:

> *"If there are promoted positions well I think it's only fair and reasonable that you first invite applications from your existing staff."*

It would appear the directing minds of larger companies, who do not have to worry too much about resource poverty, think along similar lines to their counterparts in smaller ones. Understanding why requires some reflection on a significant benefit provided by the internal management structures of large businesses. They generate vast amounts of

information in digestible chunks over time (Handy 1993). If employers use it to fill a vacancy rather than signal a job opportunity to the market, they can save time and money, improve morale, maintain stability, retain staff and facilitate succession planning (Handy 1993). This evidence could be interpreted as evidence supporting the argument Williamson (1985) makes about members of primitive teams being recruited from the market and members of relational teams being offered security training and promotion paths in order to reduce transaction costs. Contrary to Williamson's position, it is reasonable to argue employers working in large businesses might want to hold on to as many of the benefits of recruiting from within when looking outside of the firm to fill a vacancy and that this might, at least initially, lead them to confine their search to people they know about. Evidence from Craig supports this line of thought. Here, he talks about his move from a management post in one business to a more senior one in another:

> *"It was all done on the back of a fag packet. We knew of each other; they approached me, we talked a bit; there wasn't even an interview as such. It was all done on the back of a stamp."*

Robert, Frank and Craig are employers working in small medium and large private sector companies operating in different business sectors. Their evidence indicates that irrespective of the size or type of firm, employers prefer to use personal knowledge to target sources of labour inside and outside of their business. The indications are many employers will have made up their minds about who is suitable for employment independent of the creation of a vacancy, which is something that resonates with the thinking of Zelizer (2007) about the role of intimacy; Darity (2005, 2009a) on group identities and Granovetter (1985; 1995a) on social networks in determining employability. Robert was the only employer I spoke to who indicated he would end his search for a new worker if he could not recruit someone he knew personally. The rest felt that this position was too restrictive, which brings us to their use of the experiences of people they trust as a recruitment tool, in other words, word of mouth.

8.2.2 The use by employers of the experience of people they trust as a recruitment tool.

Richard captured the views of the remaining small and medium-sized employer when he told me:

> *"It's nice if somebody is recommended to you."*

Here, Ross captures the opinion of employers working for larger firms when he said someone's likelihood of being employed increases when there is,

> *"Some connection somewhere along the line that gets that person in front of you."*

The consensus amongst employers of every size is that after knowledge gained from personal experience, information from a trusted source is the most reliable data to use in recruitment decisions. Gerry, the deputy chief executive of a prominent business lobbying firm, showed that the root of this reasoning was a desire for security when he told me,

> *"It's a great safety net to know that somebody you value has recommended somebody, there is a great deal of peer pressure involved, I am not going to recommend somebody I have doubts about to a person whose friendship I value or whose custom is important to me."*

Why employers think word of mouth is the most reliable source of information after personal knowledge becomes apparent by returning to the discussion in 'Chapter Seven' on groups. There it was shown that groups facilitate the distribution of information about member's technical and social skills over an extended period, in digestible chunks, whose accuracy is guaranteed by feelings of mutual obligation and the threat of punishment (Handy 1993). In this light, their use of word of mouth reinforces the idea decisions about employability often being made independent of the existence of any vacancy. But what about those occasions when this is not the case? To start and look at this the discussion will move on to look at recruitment agencies.

8.2.3 Employers use of recruitment agencies as a recruitment tool.

The following exchange with Julian, who has been a director of large manufacturing firms and is now actively involved in running several small ones, shows when employers use recruitment agencies:

Julian:

> *"If you are looking for a very senior person for a very large company, like a multi-national, you would use agencies because you always want to cast your net outside your network. In small companies, you tend to cast your net within your network."*

BMcN:

> *"Say we're talking about more junior posts what about them?"*

Julian:

> *"Well, again it depends on, I would look first of all at my network of people that I know, and I would only really go to an agency if we drew a blank. It's strange, but as you go further in your career, you tend to know most people. I think for medium-sized companies where you have a level of staff turnover, so say you're getting into the region of 50 to 150 people, there is going to be natural attrition. Even if you're talking about two or five percent annually you're going to be talking about recruiting up to seven people a year, when you are recruiting at that level I think then your into agencies because it's more effective, when you're with a small company which is where my focus is at the moment you basically go to the people you know."*

Julian's testimony echoes research by Houseman (2001; 2003), which found employers use agencies when their demand for labour can only be satisfied by recruiting someone with highly specialised and difficult to find skills or when they require a relatively large number of employees over or for a short period. These agencies are HR specialists who offer their services to multiple employers on a contractual basis. There are two economic

perspectives on recruitment agencies: they facilitate the creation of a competitive market, or they emerge to reduce the transactional costs involved in competing for labour in a variety of markets (Autor 2008). Julian's eschewing of open competition in favour of using personal networks before moving on to recruitment agencies when looking for staff indicates he starts this search by binding his pool of candidates as tightly as possible and then loosening these binds only if he has to. This sequential segmenting of the labour market, suggests the thinking behind his use of recruitment agencies is more in line with new institutionalist thinking about transactional costs than it is with neoclassical ideas about facilitating competition.

In 'Chapter Six', Julian was identified as one of only two employers to have knowingly employed someone with a history of mental illness in the absence of a prior relationship with them. He did this as a result of the recommendation of a recruitment agency. It will be remembered the recruit's skill set was greater than was required for the post, he had a good work record, and that the agency apparently did not refer to his mental health problems for Julian only began to suspect this might be the case at the interview. It will also be recalled that this prompted Julian to depart from normal custom and practice and demand this recruit submit himself to a medical examination. Two things emerge from this: information from a recruitment agency can go part of the way to contextualise a history of mental illness and job candidates with this background will have to submit to greater scrutiny than their peers if they are to gain employment.

Here, Glen, who owns several recruitment agencies, states why the employers I spoke to tended to prefer using agencies rather advertising when looking for recruits: Glen, who owns several recruitment firms, he told me:

> *"An agency that provides businesses a poor service won't be in business for very long."*

Recruitment agencies are organisations that make money by reducing the potential threat posed to an employer from hiring new staff. They do this by turning personal knowledge and word of mouth into a commodity, which they can only do by showing employers they can reliably supply people who can provide the nature, quality and quantity of

labour required, as and when demanded (Houseman 2001; 2003). Using them is consistent with the idea employers protect themselves by targeting suppliers of labour using information from sources who have an incentive to prevent them coming to harm.

When commercial recruitment agencies believe recommending someone for employment might backfire on them, they will not do so. However, the evidence here suggests it cannot be presumed this means they will never recommend people with a history of mental illness for work. Research from New Zealand supports this for it shows they will propose job candidates with this background for vacancies when they have the skills to do the job (Biggs et al. 2010). Together they indicate it would be worthwhile researching whether jobs agencies in the UK are willing to do likewise and under what circumstances. It is now time to move on to examine what employers regard as the least reliable source of information about job candidates: signalling a vacancy to the open market.

8.2.4 Employers use of advertising as a recruitment tool.

 A flavour of what most of the research participants thought about this is captured by Gus, who told me:

> *"I never advertise jobs."*

Most of them did not go as far as this, but they were all sceptical about the benefits of advertising a vacancy. Why this is the case is shown by Michael, he told me that advertising an apprentice hairdressing job resulted in him obtaining 42 applicants. He said that he decided to send out interview letters to every applicant. What happened as a result of doing this is demonstrated in the following exchange*:*

Michael:

> *"50% of them turned up, and 50% of the ones that turned up turned up late."*

BMcN:

"What about the quarter that turned up on time how did they present themselves?"

Michael:

"We get people who are really well turned out to the one who is texting while I'm interviewing her."

BMcN:

"Texting?"

Michael:

"Texting, I don't know who she was texting, maybe she was phoning a friend for the answers to my questions, they don't turn up on time, they're not prepped properly. Right, you come for a hairdressing job, and you're not presentable, I mean what does that tell you?"

He then went on to say:

"We got three to come back and do trials: three out of the ten, of the other seven, the fact that they turned up on time, and they were semi-presentable got them a chance. The three that we gave a trial to were actually very, very good. However, I got my fingers burnt with the one I took on because she was telling me a pack of lies."

Michael's evidence was about an entry-level vacancy, which is the kind that will be available to most people that have been disabled by mental illness who will be moving off incapacity benefits. He was not alone in having this type of experience. Andy also talked about people not turning up for interviews and texting during them; Anna, Brendan, David and Gavin talked about people lying in their applications; Ross recalled being confronted by interviewees that looked like they hadn't washed; Craig, remembered someone telling him during an interview that they could not work weekends

because they went to the football and Clare spoke about a person who came in chewing gum, curtly rejected an invitation to take their coat off and responded to questions about their background in a hostile and rude manner. It can be argued such behaviour shows unemployed people are jobless because they don't want to work. This will be the case in some instances, but assuming it is the case in every instance fails to take account of evidence from this study showing jobless people want work so badly they will lie to get it and from the literature indicating this desire for work is shared by people with a history of mental illness who are in receipt of disability benefits (Boardman 2003; Boardman et al. 2003; Bond 2004; Dunn Grasso and Saunders 2014; Rinaldi et al. 2008).

Reconciling inappropriate behaviour at interviews with a desire to work can be done by reflecting on evidence showing the DWP threatens unemployed people with the suspension of their benefits if they don't apply for as many jobs as possible (Benefits and Work 2013; The Independent 2015). Such threats suggest many jobless people will try to protect themselves from sanction by applying for unsuitable jobs. It is reasonable to believe that when some of them get an interview, their frustration at losing control of their lives will, from time to time, manifest itself as inappropriate behaviour. On such occasions, it is understandable many employers will conclude their time and money is being wasted by disrespectful people and that this will generate hostility towards the jobless. If one presumes jobless people are aware of this hostility, then it becomes predictable they will lie about their past when they apply for a job they actually want. It follows that when these untruths are uncovered by employers, it will also generate hostility towards them. If one accepts this attempt to reconcile the aforementioned contradictory evidence, it suggests the DWP is behaving in a way that will increasingly undermine the efficacy of the UK government's welfare to work policies.

Evidence employers find it difficult to control the number and quality of applications they receive when they decide to fill a job vacancy through competition does not necessarily sit uneasily with the neoclassical theory upon which the UK's welfare to work policies are based. It is reasonable to presume that the inappropriate presentations by interviewees described by employers could be caused by supply-side factors such as a lack of presentation skills; a lack of familiarity with the demands of the workplace or the

malign effects of the influence of non-market institutions like the DWP. However, it is harder to make this case about misleading an employer to get a job. Neoclassicists argue competitive markets guarantee honesty: dishonesty will result in the loss of the job and make the liar less attractive to other employers in the future (Ehrenberg and Smith 2012; Mandel 2012; Dutt and Wilbur; 2010). But, research shows job seekers will be dishonest when employers use competition to fill a vacancy because they think the benefits of doing so outweigh any potential repercussions (Weiss and Feldman 2006). The scale of the dishonesty in the UK labour market can be gauged by a survey of 2000 job applicants by CV Library (2014), which found 75% thought it was the employer's responsibility to uncover lies rather than their duty to be honest, while 54% thought high levels of competition meant job seekers had to lie to get a job. The threats to an employer inherent in such a situation helps explain why most of the employers I spoke to agreed with Gavin when he said,

 "*Advertising a job would be a last resort.*"

Nevertheless, a small minority of employers were less hostile than their peers to advertising. Amongst this group was Gerry, who told me,

> "*The formal process* (to recruitment) *has worked both ways for us, we've unearthed a couple of really, really good individuals and we've been less successful in one or two roles as well. It's all bit hit and miss.*"

Both groups felt using open competition to fill a post is problematic. The majority thought this justified eschewing its use. A minority accepted behaving in this manner offered some protection against hiring poor quality sources of labour while pointing out that it also obstructed access to high-quality ones. It appears this insight led some of this latter group to take a bet on the market even though they were unsure about the odds it was offering.

The evidence so far suggests it would be useful to know the percentage of vacancies that are made available to the general public. No UK studies appear to have investigated this although there is work from the US that suggests the figure there is as low as 20% (Hansen 2013). UK Investigations into related areas indicate the number here may be

higher but that it is still relatively small. Work by the FSB (2009) found only 20% of small businesses use Job Centre Plus to advertise posts while work by (Machin 2002) revealed that just 44% of vacancies are notified to the job centre. To advertise vacancies in this way is free. Given this, there is a strong possibility the percentage of unfilled posts that employers pay to advertise will be lower than this figure. Evidently, there is a need for UK research into the nature and proportion of jobs employers fill through open competition if we are to gain an accurate picture of the employment opportunities that are available to jobless people who have been disabled by mental illness.

8.2.5 Conclusions about how employers search for new employees.

The evidence here indicates employers rank sources of information about labour in a hierarchy of desirability based on the reliability of the information they generate and the costs of getting access to it. In descending order, this ranking runs as follows: personal experience; the experience of people they trust; recruitment agencies, which is the experience of people whose trust can be bought and finally open competition where the reliability and cost of the information on offer can only be determined after someone has been selected for employment. The evidence from 'Chapter Seven' indicates the recruitment decisions of employers are an attempt to balance the desire for profit with the fear of loss. It suggests that employers will descend this hierarchy until a new source of labour has been secured, or they get to the point fear of loss outweighs the desire for profit. In its early stages, this approach resonates most strongly with the thinking of Zelizer on intimacy and economic activity (2007); Darity (2005; 2009a) on group identities and Granovetter (1985; 1995a) on the embeddedness of commerce in social networks. When the imperative is to continue searching for labour, their approach becomes increasingly aligned with the thinking of the new institutionalist economists such as Williamson (2007; 1975) because they now engage with recruitment agencies, which they appear to view as businesses that can reduce the transaction costs involved in finding suitable staff. When this approach fails, and they still want to hire someone, the point is reached where the overlap between reality and neoclassical theory is it at its strongest. For now, they invite suppliers of labour to compete for the vacancy by signalling its availability to the market. As a description of how employers respond to the

challenges involved in searching for workers, this descent down a hierarchy of reliability is congruent with the evidence from 'Chapter Six' about the use by employers of social networks when they hired people with a history of mental illness. It also offers an explanation for why so few vacancies are advertised and why so many of them go unfilled that does not place the whole blame for unemployment on the shoulders of the jobless. However, it is also an approach that indicates the role of human resource professionals and what they regard as best practice in recruitment decisions is limited. It is this that will be looked at in the next section.

8.3 The role of human resource professionals in an employer's search for labour.

The reason looking at this is important is that UK Government policy presumes private firms use HR professionals and their beliefs about recruitment best practice to hire staff (Keep and James 2010). Michael captured what employers working in small businesses thought about the validity of this assumption when he told me:

> *"I'm the admin, the electrician, the cleaner the personnel officer; I'm everybody."*

No small employer I spoke to directly employed HR professionals, and only one of them paid for access to them on as required basis after being punished by an industrial tribunal. As for the view of the larger businesses, the following exchanges with Brendan and Craig demonstrate this:

BMcN:

> *"(To Brendan). You were indicating that your personnel department was quite small for a company of over 300 people, how many staff is there?"*

Brendan:

> *"One."*

BMcN:

"One?"

Brendan:

"One plus an assistant that does some other things as well."

Another demonstration of the scarcity of HR professionals in larger businesses is provided by Craig, who is a senior manager in a company employing over 10,000 people, he said:

"We've only got about three personnel staff in the whole company, so all HR is managed locally, you only bring them in when you're in bother basically."

The finding here contradicts the UK government's assumption that businesses of every type employ sufficient numbers of professionals to implement HR best practice. It is one supported by the HR literature. Several studies into small businesses have discovered they do not employ HR professionals because their owners believe the costs of hiring them outweighs any benefits they have to offer (Cardon and Stevens 2004; Hornsby and Kuratko 2004; Lechner and Leyronas 2009). Other research into larger businesses found employers did not rely on HR expertise to recruit staff because they saw it as too technical to be accessible; irrelevant to the conduct of their business, or too impractical for the real world (Rynes et al. 2002).

The effects of these beliefs can be seen from a survey of UK private sector businesses by Xpert HR (2012), which found the average ratio of HR professionals to staff is around one in one hundred and twenty; with the ratio increasing in line with company size. No business I spoke to had ratios anything like this. However, the discrepancy can be, at least partially, explained in two ways. First, what method is used to construct these figures, would it count the assistant Brendan talked about as a member of the personnel department or some other one or both? And second, companies may define the role of HR differently: for example is payroll an HR or finance function, is the keeping of up to date staff records an HR or a departmental duty, and how are those who make training decisions counted? However, even with the ratios identified by Xpert, the indications are

that the roles of human resources professionals in private firms are mainly communication and facilitation rather than policing and regulating.

However, the scarcity of HR professionals in larger business does not mean they are never directly involved in recruitment. Julian, who owns several small businesses and has also sat on the boards of several large companies, spoke for every participant in this study who is or has been a senior manager in a large firm when he said that this was most likely to occur,

> *"In large organisations, it's quite common for the HR directors to be joined at the hip with the CEO or MD simply because building teams is so important at that level."*

Julian is indicating HR participation in the recruitment decisions of larger companies increases in line with the seniority of the post. The relevance of this to the employment prospects of people with a history of mental illness moving off disability benefits is that most of them will only be eligible for low or entry level posts. The indications are that these are posts where managers, some of the relatively junior members of staff, will have greater levels of discretion in making recruitment decisions.

Glen, who owns several businesses, including four employment agencies, explained the limited involvement of HR professionals in recruitment:

> *"Increasingly there is a view that human resources departments should not step in between a management subordinate relationship, that it is the manager's responsibility to develop these."*

In the last chapter, Frank observed that in larger businesses employees are given the authority to hire the people who report to them and that they are held accountable by more senior managers for the outcome of these decisions. Here, the evidence indicates that many companies also delegate the authority to decide how to produce the best possible recruitment outcomes, to do what Frank described as '*analysing your own risk*'. The argument for doing this is that it cuts costs, provides managers with more flexibility to manage and build workforce teams and enables the business to react more quickly to

situations as they develop on the ground (Bysted and Jespersen 2014; Fernandez and Moldogaziev 2013).

Neither the evidence provided by the employers for this study nor the HR literature describes a labour market where HR professionals regulate and police the recruitment decisions of employers. The difference between the assumptions of the UK government about how employers search for labour and how they have described how they go about it raises further concerns about the engagement of employers with the UK government's welfare to work policies. The next three parts of this chapter will discuss these concerns by looking at the influence on employers of the Equality Act 2010; and the 'See Me' anti-stigma campaign; their experience of private sector welfare to work contractors and the likely effect of this on their willingness to engage with the 'Work Programme'; and their awareness of the 'Access to Work' and 'Work Choice' programmes.

8.4 The influence of the Equality Act 2010 on the recruitment practices of employers.

Evidence from the spheres of public health and transport indicates public behaviour can be changed by rigorous law enforcement even when the law in question is controversial (Avineri and Goodman 2009). The indications are that for this to happen the law has to meet specific criteria: it has to have a clear rationale; possess unambiguous tests of compliance; be easy to monitor and police; and the public mood has to reinforce enforcement with social approval (Avineri and Goodman 2009). Satisfying these criteria requires there to be widespread awareness of the legislation. The following exert from my meeting with Mike is typical of the responses received from smaller employers:

BMcN:

> *"Here's something; have you heard of any legislation governing equal opportunities for people with a history of mental health problems?"*

Mike: (Pause)

> *"Governing equal opportunities?"*

BMcN:

> *"Yes, equal opportunities".*

Mike: (Long pause)

> *"Well, I know you're not allowed to discriminate."*

BMcN:

> *"What if I was to say to you, the Equality Act 2010?"*

Mike:

> *"Never heard of it".*

Given the absence of HR professionals in small businesses and the prevalence of multitasking, this finding is unsurprising. Larger employers were slightly more circumspect in how they phrased their response. Nevertheless, their answers indicated they did not think it was relevant to how they conducted their business. Andy who owned a medium sized business responded to the question I put to Mike in the following manner:

> *"No, I know it's there, but I don't know anything about it."*

Nor was Ross, a director of a large UK wide business, who said:

> *"Well, I am aware that there is an Equality Act, but I am not aware that there is anything in it about mental health."*

Awareness of the Equality Act (2010) and its provisions ranged from total ignorance to a vague awareness. Similar findings were made by studies investigating the awareness of employers of this legislation's antecedent, the Disability Discrimination Act (1995) (Kelly et al. 2005; Simm et al. 2007; Clayton et al. (2012). While the absence of HR professionals in small businesses explains the ignorance of this legislation amongst employers working for them, it does not account for the ignorance amongst those working for large companies. There are three possible explanations for this.

The first is that many of its provisions only relate to the public sector or those private sector businesses working for it. The second is congruent with the idea HR departments have circulated information about the Equality Act 2010. It emerges by juxtaposing the demands of the Equality Act 2010 with how they rank the sources of information they use to recruit staff. The Equality Act does not require vacancies to be thrown open to public competition unless the post in question relates to a contract of work for the public sector. The way employers rank and use sources of information to recruit staff indicates that, to a large extent, how they trade for labour is governed by the informal rules developed as part of the creation of social groups. Consequently, people with a history of mental illness who are not members of employers' social networks or those of their employees will rarely get into a position where they will become aware of a vacancy. As a result, they will not get into a situation where they can exercise the rights given to them by the Equality Act. The use of a hierarchy of reliability to recruit staff also suggests that when they have a relationship with an employer that causes them to be considered for a vacancy, it may be counterproductive to assert their rights because it could lead to them being denied information about future jobs. It follows that many employers working for large business will have little reason to have more than enough awareness of the Equality Act 2010 to cause them to seek advice from HR staff when they decide to fill a vacancy via recruitment agencies or open competition. The last explanation emerges by reflecting on how the demands of Equality Act 2010 are enforced. In line with UK historical practice, the rights granted by disabilities legislation are policed and enforced by disabled people. To assert them, job seekers with a history of mental illness will often have to make employers aware of their impairment because it will not always be apparent. If they have done this and they feel they have been mistreated by the employer because of their impairment they have to think about four questions before calling them to account. First, because their complaint may result in an examination to determine the nature of their impairment and how it disables them, they have to ask themselves, what level of personal intrusion are they willing to allow? Second, because case law and the code of practice (EHCR 2011) accompanying the Equality Act 2010 makes it clear that what is reasonable for a small employer may not be reasonable for a large one, they have to ask themselves, could the costs associated with accommodating their impairment allow the employer's

behaviour to be judged by third parties as being reasonable? Third, will the demonisation by the government and the media of jobless, disabled people identified by Briant et al. (2011) make this more likely? And lastly, will attempting to assert their rights result in them being seen as troublemakers by other employers? Together the answer to these questions is likely to lead many disabled people with a legitimate grievance to conclude that enforcing their rights under this legislation is not worth the bother.

The above discussion makes it reasonable to conclude employers' awareness of the Equality Act 2010 and its influence on their recruitment practices is likely to be marginal. Such a conclusion is supported by previous research, which has found legislation to be ineffective in facilitating employment opportunities for people with disabilities (Bambra and Page 2007; Simm et al. 2007; Clayton et al. 2012). It also suggests a three-pronged way of addressing this ineffectiveness: fund initiatives that develop links between disabled people and employers independent of the existence of vacancies; demand all vacancies are thrown open to fair competition and create an adequately resourced independent body with inspection and enforcement powers to ensure the provisions of any equalities legislation are complied with, for as Habermas (2010) has pointed out, rights are only as good as the rigour with which they are policed and enforced.

8.5 The influence of campaigns to reduce the stigma and discrimination associated with mental illness on employers recruitment practices.

In line with neoclassical theory, the government's welfare to work policies conceptualise stigma, and the unfair discrimination it gives rise to, as barriers to the market, which is why one of the aims of the Scottish Government funded 'See Me' campaign is to prevent them from influencing recruitment decisions. 'See Me' is a social marketing campaign; as such it assumes people's attitudes and behaviour towards something can be changed by increasing their awareness and knowledge of it (National Audit Office 2011; Kotler and Zaltman 1971). For such a campaign to achieve its goals, the target audience has to be aware of the campaign. The awareness of the employers I spoke to about 'See Me' is captured in the following evidence from Anna and Neil. Anna spoke for a small majority of employers when she told me:

"No I'm not aware of any campaigns; they just don't come into my head."

The following exchange with Niall captures the extent of the awareness amongst the rest of them:

BMcN:

"Are you aware of any campaigns aimed at reducing the stigma experienced by people with a history of mental health problems?"

Niall:

"I've seen it advertised on the telly; you see a lot of things about mental health you see it on billboards, you see it on buses."

BMcN:

"Can you think of the name of any of these campaigns?"

Niall:

"I can actually, there was one on the telly recently about mental illness and one in four it mentioned a number one in four, one in five where people have a slight mental health issue."

However, despite several prompts, Niall was unable to remember the name the campaign. Our exchange continued as follows:

BMcN:

"What do you think of these campaigns?"

Niall:

"I think they make you aware of mental health issues and I think that is a good thing, I think everyone should be aware because if people do

> *things, then you can have some sort of understanding of why, how or what."*

BMcN:

> *"Have they influenced your recruitment practices?"*

Niall:

> *"No."*

Employers appear to be more aware of the anti-stigma campaign than they are of the equalities legislation. Given the ones I spoke to seemed to believe it was other people who held stigmatising beliefs about individuals with a history of mental illness and unfairly discriminated against them, this could be because the campaign tries to challenge stigma in every environment, not just the workplace. In short, they were more likely to see the campaign as relevant to the lives of the people around them. However, more employers were unaware of 'See Me' than were aware of it and even those who knew of it did not see it as being relevant to their business lives. There could be two reasons for this. Once again it could be because they do not believe they hold stigmatising beliefs or behave in an unfairly discriminatory manner. The other reason crystallises by reflecting upon the approach of the anti-stigma campaign. It treats workplaces as generic: it does not take account of differences in management structures between the public and private sector and large and small businesses, or the influence on them of trading environments. Acting in this way flies in the face of evidence from the literature on marketing campaigns, which strongly indicates that to be successful; campaigns must use identify different groups and target them by using language that means something to their members (Kotler and Zaltman 1971 and Dolan et al. 2010). An explanation for why the 'See Me' management have acted in the way they did emerges from the two reviews of the 'See Me' campaign carried out by Myers et al. in 2009 and Pilgrim and Corry in 2013. Both show that there is hardly any private sector involvement in the campaign's planning, implementation or evaluation. It is, therefore, reasonable to argue that if there had been greater private sector participation, the diversity of that sector might have been more likely to have been taken into account.

The evidence indicates the proportion of employees with a disability is greater in the public sector than it is in the private one (Hirst et al. 2004) and that the number of public sector jobs is in decline. Given this, the 'See Me' campaign will need to positively influence private sector employers if it is to build on whatever positive effect it has had on their employability. The data presented here suggests it will be required to do two things if it is to achieve this goal. It will need to persuade private sector employers that they hold stigmatising beliefs and it will have to take account of the diversity of the private sector. Together they suggest there is a need to increase the involvement of private sector employers in the campaign's steering group.

However, these observations should not be taken as saying 'See Me' will not have had any positive effects. As was noted above, its remit is broader than employment. It aims to address the social identity of people with a history of mental illness. The evidence from the two reviews suggests that it has helped to make people with a history of mental health problems more socially acceptable. It follows that they will be more likely now than they were in the past to have relationships with or be members of the same social networks as employers or those who have access to them. In the light of evidence from this study that employers are more likely to hire people with a history of mental illness when they can use personal relationships and social networks it suggests that that the campaign will have had a positive influence on their employability even if employers don't know about the campaign or regard it as irrelevant to their recruitment practices. However, it does so in a way that reveals what Sayer (2005) calls the moral significance of class, for the evidence shows the majority of people with a history of mental illness being moved by the government off state benefits live in areas of high unemployment (Dohrenwend 1992; Hollingshead et al. 1958; Johnson et al. 1999; Meltzer 1997; Butterworth et al. 2009; Crisp et al. 2009). Notwithstanding issues about work-ready skills, these locations are ones where people are less likely to share social circles with employers or people who have access to them.

8.6 Employers experiences of welfare to work contractors and its possible influence on their reaction to the Work Programme.

Earlier, in 'Chapter Two', there was a discussion about the government's welfare to work policies. There it was shown that they require people with a history of mental health problems, who are in receipt of incapacity benefits, to participate in a rolling programme of 'Work Capability Assessments' (WCA), which will sift them into three categories of benefit recipient: those on 'Support Group' (SG); and 'Work Related Activity Group' (WRAG) 'Employment Support Allowance' (ESA) and 'Job Seekers Allowance' (JSA). The businesses performing these assessments claim to be making no judgement about the nature or existence of a person's impairment merely whether it prevents them from working and if so what at and where. It will be recalled the first group do not need to look for work, the second group are expected to prepare for work by engaging in work-related activity, and the third group are supposed to look for work immediately. The primary policy initiative supporting the latter two groups is the Work Programme. As with all the government's vocational support efforts, this initiative is implemented by private and voluntary sector organisations, who have won contracts as a result of a competitive tendering process.

One could look at these organisations as being similar to recruitment agencies. After all, one of their roles is to help match people to vacancies. As we have seen, employers appear to favour recruitment agencies over the use of open competition. This practice could lead one to believe employers would look favourably on these bodies as a source of information about potential recruits. Amongst the employers I spoke to, there were seven, all from small and medium-sized firms, which indicated they had experience of working with welfare to work organisations. The following evidence from Andy, Billy and Richard describes these experiences. They all relate to events that took place before the introduction of the Work Programme. But since the companies involved in these stories are all currently delivering that programme there is a strong argument to be made that their past behaviour is relevant to the Work Programme's success. Andy describes a typical encounter with these organisations:

*"Well I've certainly had experiences in the past where (*Names welfare to work company*) would send me groups of CV's, and I would respond with, do you realise that we are recruiting for the offshore oilfield service industry? You are sending us people that we cannot possibly accommodate in that environment. That caused that organisation to lose credibility in my eyes."*

Andy's evidence indicates these organisations may be seen by employers as ones that make little attempt to try and develop a relationship with an employer that might help them get to know their business, the environment it operates in and the demands it produces. This type of failure raises the concern that the reputation of welfare to work organisations amongst employers will be poor. Worries about this reputation are amplified by the following anecdotes provided by Billy and Richard. Billy's experience, bad as it was, was at the positive end of the spectrum of stories about these businesses. It relates to one of their clients who he found out to be autistic after he had agreed to take him on. I asked Billy:

"What about the support that was offered by the support agency?"

Billy:

"There was very little support. There was just a guy. Sometimes you would get a phone call in the morning just to make sure they turned up for work, to make sure they were here".

BMcN:

"Did they ever come into the workplace?"

Billy**:**

"*Maybe once a month or something and checked on them, make sure they were here, to have a wee word from them to see where they were going from there."*

BMcN:

"Did they ever talk with you about the needs of the person?"

Billy:

"Never, they would maybe tell you they had someone very special here and that they would be the person for a job here."

The worst story I heard about the behaviour of a welfare to work contractor was provided by Richard:

"We had one particular lady on placement, a very nice person but she had serious problems with toilet issues. We discovered that within a couple of hours. They were ones that she couldn't manage herself, she needed assistance, and the other two girls in the office weren't prepared to help her, and the other problem was that her personal hygiene was appalling. So we had to phone these people to come and pick her up, but they wouldn't come to pick her up until night time, so we had to find somewhere for her and basically humour her all day until they came back to pick her up again."

It is almost beyond comprehension any organisation purporting to have the interest of their client at heart would place somebody with autism or toilet issues with a company without holding in-depth discussions with it about the best way to accommodate them. Similarly, it is difficult to understand how these firms could believe visiting a workplace once a month or failing to respond to an employer's urgent request for help is the provision of adequate support. In both cases, the attitude seems to have been to get their clients a position under any circumstances, even if it means keeping the employer in the dark because once we do this, we get paid, and then we can move on to the next client. The attitude of these agencies towards their clients and the businesses appears to have been uncaring, disrespectful and callous. Employers talk amongst each other about this type of experience. Karl, an employer with a large organisation, who has never dealt with these organisations, provided evidence of the effect on the reputation of the welfare to work industry of this kind of behaviour when he told me:

"My view of these companies is that they have no interest in the person's well-being, career or future of the people they are supporting. They are only in it for the money. My opinion is that these companies, they might even employ self-employed people that will only get paid if they find an unemployed person a job or a work placement, they will only be in it for the money."

He went on to say,

"They will have no interest in my company, well except in so far as they would be desperate for you to buy into their service."

These experiences and the hostility they seem to have generated, suggest many private sector employers will be, at the very least, sceptical about the benefits of dealing with welfare to work companies. An explanation for why some of these contractors have behaved in this way is provided by agency theory, which was mentioned briefly in 'Chapter Two when the above policies were introduced and in 'Chapter Three' when the focus of the discussion was the new institutional economics. Therefore it is worthwhile looking at agency theory in more detail here. This model defines the parties to a contract as the principal, who wants a job done, and the agent, who does the work (Eisenhardt 1989). Their relationship can become problematic when the principal is unable to monitor the behaviour of the agent or when the interests of the principal and agent diverge (Eisenhardt 1989; Fernandez 2007). It is easy to see why the activities regulated by welfare to work contracts would be difficult to monitor: it would involve checking up on how the agent and their subcontractors have behaved towards large numbers and varieties of job seekers and employers who are located all over the country. To make matters worse, the interests of the government are not the same as the welfare to work organisation: the former wants to minimise the costs involved in getting people into work while the latter intends to maximise the profits they can realise from doing this.

The solution agency theory offers for agent principal problems is structuring rewards to align the self-interests of the agent and the principal by making payments dependent on how an outcome meets a variety of conditions (Fernandez 2007). It would appear the

experiences of the employers I spoke to were not uncommon, for the UK government has made this type of change to its vocational support programmes. As well as jobs gained payment now depends on the length of time a client stays in employment and the challenges they pose (Rees et al. 2014). The aim of this change is to encourage agents to address the needs of individual clients by incentivising them to maintain regular, purposeful contact with them once an employer has taken them. Before the UK government made this change, other countries, including Holland and Australia, took a similar tack. Their experience indicates welfare to work businesses have reacted to these changes by focusing on those clients who were most attractive to employers and parking the rest (Struyven and Steurs 2005; Considine et al. 2011). It would appear that despite protests from the DWP to the contrary (PAC 2013), the Dutch and Australian experience is repeating itself here (National Audit Office 2014; Finn 2011; 2013; Rees et al. 2014). However, even if the DWP's is correct, it is hard, given that many of the companies that participated in earlier vocational support programmes are involved in current ones, not to think the changes that have been made are an exercise in shutting the barn door after the horse has bolted.

An alternative solution to the agent-principal problem that takes into account the needs of employers would be to incentivise welfare to work organisations to build up long-term and ongoing relationships with them independent of the placing of individual clients. In the course of doing this they could help; circulate information about the different parts of the welfare to work programme and provide advice about reasonable adjustments and vocational support programmes, which would help address any image problems they might have. Such an approach might lessen the pressure on welfare to work organisations to park difficult to place clients by making employers more amenable to taking a chance on them. However, constructing a programme that could do this requires identifying a starting point, which requires research into the current state of the relationship between employers and welfare to work organisations.

8.7 The influence of vocational support programmes aimed at reducing the costs associated with impairments on the recruitment practices of employers.

'Access to Work' is a scheme designed to help pay for the additional costs faced by disabled people when they look for and are engaged in paid employment. Examples of these are those associated with travel and making reasonable adjustments to the workplace to accommodate impairments. 'Work Choice' is an initiative that focuses on those disabled people whose capability assessments have concluded they should not be required to look for paid employment but who wish to do so anyway. Again, its purpose is to help them find and keep a job; it offers help with training, skills development and confidence building. The reviews of these programmes carried out by the DWP (2013) and (Sayce 2011) indicate those employers who have engaged with these programmes have a positive view of their experiences. However, no one I spoke to knew anything about them. Gus's response was typical:

> *"I've never heard of them."*

Employers' ignorance of these initiatives does not mean they are uninterested in them.' Michael was one of the several employers, who asked,

> *"Where do you find out about these things?"*

The DWP review of the Work Choice programme did not specifically investigate employer's awareness of this programme, although it did note that the knowledge and understanding of parties to it are problematic. The review of the 'Access to Work' scheme carried out by Sayce (2011) offered evidence the knowledge of job seekers and employers about this scheme is also unsatisfactory, and it suggested this was because it was poorly publicised. One alternative explanation for the employers' lack of awareness of these programmes is that they are both supply-side initiatives. Therefore, the money follows the disabled job seeker. As a result, publicity about them might not be directed at employers. Given employers seem to start their search for labour by targeting prospective employees, this indicates there would be no reason for them to find out about them unless a targeted pool of labour included a disabled person who was aware of them. Another is

that the scarcity of human resource professionals may have prevented information about them from being circulated efficiently. Whatever the reason, nobody who took part in this study knew about 'Work Choice' or 'Access to Work'. Because of this, I can only conclude that their influence on employers' recruitment decisions is minimal. In the light of the favourable opinion of them held by those employers who have engaged with them, this is unfortunate. It is a finding that suggests publicity about these schemes should target employers as well as disabled people.

8.8 Conclusion.

The evidence from this chapter indicates employers deal with the uncertainty involved in recruitment by ranking sources of information in terms of reliability and cost. The hierarchy of desirability they construct by doing this identifies information arising out of personal experience as the preferred source of information, followed by information generated by the experience of people they trust, the payment of a fee and then open competition in a market. When they have a vacancy, they tend to look for staff by descending through the hierarchy for as long as their desire for profit outweighs their fear of loss. At each stage its alignment with understandings of trading for labour changes.

Initially, their use of this hierarchy resonates most with the ideas of new economic sociologists such as Zelizer (2007) on the role played by intimacy in economic activity and Granovetter (1985; 1995a) about commercial activity being embedded in social networks and stratification economists such as Darity (2005; 2009a) about competition between groups for economic dominance. Then as the search continues, it resonates more with the work of new institutional economists such as Williamson (2005; 2007) on transaction costs. Until finally, it comes to bear its closest resemblance to neoclassical theory's thinking about price competition. The descent down the hierarchy identifies employers engagement with the labour market as something that is constrained by supply and demand. By doing so, it explains why many jobs never seem to reach the open market and the simultaneous existence of vacancies and unemployment that does not presume unemployment is evidence of a preference for leisure over work or that the jobless are skivers rather than strivers.

This ranking of sources of information into a hierarchy of desirability and its use is consistent with the evidence from 'Chapter Four' about employers hoarding of labour, from 'Chapter Six' about the circumstances surrounding their recruitment of people with a history of mental illness and 'Chapter Seven' indicating they believe the outcomes of hiring decisions are always uncertain. However, it runs contrary to two assumptions of the UK government regarding the labour market. The first is the one that underpins the UK government's welfare to work policies, which is the neoclassical belief that jobs are distributed as a result of the willingness of suppliers of labour to compete for work by responding to market signals about price (Ehrenberg and Smith 2012; Mandel 2012; Dutt and Wilbur; 2010). The second is that employers use what human resource professionals understand as best practice to facilitate price competition between suppliers of labour for a vacancy (Atour 2008; Keep and James 2010). The use of the hierarchy indicates the preferred approach of employers to recruitment is targeting sources of labour. Its use explains why smaller companies tend not to employ HR professionals and why larger ones only seem to hire enough of them to participate in the recruitment of senior staff and to facilitate the recruitment decisions of managers at more junior levels. As far as the posts that most people with a history of mental illness who are moving off disability benefits are concerned, it seems managers not only to have the delegated authority to fill a vacancy but also considerable freedom in deciding how to go about doing so.

The differences between how the UK government thinks employers trade for labour and how employers perform this task appears to have adversely affected the engagement of employers with their welfare to work policies. In general, employers working for small and large businesses seem to be ignorant or only vaguely aware of the provisions of the Equality Act 2010. There was some awareness of the 'See Me' campaign but although nobody thought it had influenced their recruitment decisions there is an argument for saying it may have indirectly made them more likely to hire people with a history of mental illness. As for the vocational support programmes, employers experience of agency-principal problems has caused them to be hostile to the contractors implementing the 'Work Programme'. Furthermore, there is a reason to believe that changes to this programme will fail to diminish this hostility. With respect to the 'Access to Work' and 'Work Choice' programmes, employers appear to be ignorant of them. My conclusions

about the recruitment practices of employers and their failure to engage with the UK government's welfare to work policies for their ability to increase demand for labour from jobless people who have been disabled by mental illness is the topic that will be discussed in the next chapter.

Chapter Nine:

Conclusions.

9.1 Introduction.

Earlier, I said personal reasons had sparked my interest in the ability of the UK government's welfare to work policies to make it easier for people disabled by mental illness to find a job. Looking at the thinking behind these policies, I found they are rooted in models of recovery and economic activity, which identify causal relationships between agency and attitude and well being and financial security. However, the literature review and the evidence from government labour market statistics suggested such thinking is problematic.

'Chapter Two' showed the model of recovery in question emerged from debates about the concept of mental illness, the treatment of people diagnosed as mentally ill and the efficacy of asylums. Debates fuelled by psychiatry's failure to link many of its diagnostic categories to biology, research in neuroscience, developments in pharmacology, and work by sociologists on the effects of deviance, and stigma. On opposite sides were people who argued mental illness is a biological phenomena and those who see it as a social one (Rogers and Pilgrim 2010). Eventually, they the state responded to them by deciding most people diagnosed as mentally ill should live in the community where their support would be overseen by general practitioners (Rogers and Pilgrim 2010). Although they were now less vulnerable to compulsory confinement, they were still prevented from working for a living. It was a situation that led many of them to reflect on the nature of mental illness and the meaning of recovery (Davidson& Roe 2007; Deegan 1998; Liberman and Kopelowicz 2005). In Scotland, policymakers reacted to these reflections by adopting a version of recovery demanding that people accept the reality of mental illness, follow medical advice about realistic goals and accept they have a duty to pursue these goals enthusiastically (SRN 2007).

A catalyst for identifying paid employment as a realistic goal for people who had been disabled by mental illness was the development by disabled scholars of the social model of disability. It identified impairments as biological issues and disabilities as social ones

(Pinder 1995; Coles 2001). International policy makers reacted to this challenge to orthodoxy by adopting Engel's (1977; 1980) complex laminated biopsychosocial model of well-being (Engel 1977; 1980). Consequently, they were able to adopt the social model's parsing of disability and impairment while identifying biology as the root of disability (Imrie 2004). Later, UK policymakers drew on work by Waddell and Aylward (2006), which reduced Engel's model from a complex one to a complicated one and then went on to argue disability is solely a deviance from biological norms and the outcomes of disabled people's lives are determined by attitude and agency.

In the light of studies arguing paid employment is good for mental health (Waddell and Burton 2006a, b), people with a history of mental illness want to work (Boardman 2003; Boardman et al. 2003; Bond 2004; Dunn Grasso and Saunders 2014; Rinaldi et al. 2008) and they can successfully compete for work when they are provided with appropriate support (Drake et al. 1996; Becker and Drake 2003; Bond 2004), UK policymakers were able to use the thinking of Waddell and Aylward to identify paid employment as evidence of recovery in as well as recovery from mental illness (HM Government 2009). To pursue this vision of recovery, it implemented a tranche of welfare to work policies that were underpinned by the assumption that, all things being equal, people disabled by mental illness would be able to find work as long as they could enter the labour market.

In 'Chapter Three' it was shown these policies had been identified by Jessop (1994; 1999; 2002) as part of a move by policymakers to change the 'Keynesian Welfare State' into a 'Schumpeterian Workfare State'. Fuelling this move is an understanding of the labour market offered by neoclassical economics. Neoclassicism has dominated economic policy for almost forty years. It benchmarks the economy in the real world against a static theoretical model where equilibrium between supply and demand for scarce resources is established by price competition between rational, utility, maximising all knowing individuals with stable sets of preferences (Cassidy 2009; Crouch 2010; Dutt and Wilbur 2010; Ehrenburg and Smith 2012). In this theoretical economy, a willingness to supply goods at market prices creates its own demand, and macro-economic outcomes are the sum of its micro-component parts (Cassidy 2009; Crouch 2010; Dutt and Wilbur 2010; Ehrenburg and Smith 2012).

Here, suppliers of labour strike a balance between work (disutility) and leisure (utility); money is a facilitator of trade rather than a store of value, a statement of account or a source of power; the outcomes of economic activity are a question of risk rather than uncertainty and exogenous institutional factors, such as out of work benefits, employment protection legislation and social norms, result in economies having natural rates of unemployment (Ehrenburg and Smith 2012; Layard et al. 1991; Layard and Nickell 2003). From this perspective, the role of policy should be to facilitate price competition by incentivising people to look for work and preventing institutional influences from acting as barriers to the labour market.

Like the medical concept of mental illness, neoclassical thinking about the labour market has been subject to criticism, which revolves around their model's construction, its denial of uncertainty and its identification of institutions such as firms, the law, money and social networks as being exogenous to the market. The new institutional economics and the new economic sociology see institutions as things that are endogenous to economic activity, whose purpose is to make an uncertain world more predictable. Something they do by creating multiple markets where movement into and between them can be difficult (Williamson 1975; 1985; 2000; Granovetter 1985; 1995). However, they disagree on what causes uncertainty, how it gives rise to institutions and how institutions protect people against it (Williamson 2000); Granovetter 1985). New institutional economists see the economy as a static system. They adapt neoclassical theory to argue the outcomes of price competitions between utility maximising actors for control of scarce resources are rendered uncertain by the interplay of asset specificity, cognitive idiosyncrasies and opportunism (Williamson 1975; 1985; 2000). Contrarily, the new economic sociology looks upon the world as being uncertain and the economy as an open, dynamic system embedded in a network of human relationships, which evolves in response to the interaction of agency and structure (Granovetter 1985; 1995a). The new institutionalist economists see uncertainty as a generator of transaction costs and institutions as entities that emerge when one to one spot contracts are unable to prevent opportunism from undermining market efficiency (Williamson 1975; 1985; 2000). The new economic sociology looks upon uncertainty is a generator of social networks and institutions as entities that emerge when social networks and their ability to foster identities, habits, trust

and asymmetric distributions of power have been unable to make the outcomes of social action predictable (Granovetter 1985; 2004).

Neoclassical economics and the new institutional economics offer under socialised views of the world (Granovetter 1985), while the new economic sociology offers an over socialised one (Uzzi 2012). However, all three perspectives provide insights into economic activity in the real world. The neoclassical focus on profit offers a simple explanation for why businesses routinely terminate long-standing relationships with workers and communities by moving production around the world; the new institutional perspective does likewise for the existence of firms such as recruitment agencies, which generate profits by linking buyers and sellers of labour; and the reasons why business owners routinely hire family members, friends and people that are known to existing employees even when the market signals the availability of cheaper sources of labour are captured by the arguments of the new economic sociology about embeddedness and intimacy. Together they show the demand for labour cannot always be reduced to a desire by employers to satisfy or saticfy a desire for profits, or the pressure exerted by social norms. In other words, Neoclassicism, the new institutionalism and the new economic sociology offer partial and complementary descriptions of the reality the demand for labour.

Taking the heterodox approach to the analysis of the economy used by the old institutional economics offers the opportunity to draw on the insights supplied by the above three schools of thought as well as the arguments of stratification economists about cooperation within and competition between groups and Zelizer on intimacy connected worlds and circuits of commerce. Now it can be argued the economy is an open, complex, dynamic and laminated social arena, which emerges from the constant interplay between agency and structure in response to people's desire for order in an uncertain world (Hodgson 1998; 2000; 2009; Rutherford 1997; 2000). Here capacity, competition, cooperation, cost, identity, peer pressure and social location shape the demand for goods and services: power is ever present, causal relationships and market equilibrium are contingent, and the demarcation lines for economic analysis are relevant conditions rather than disciplinary boundaries (Myrdal 1978). Adherents of this schools of thought believe

theories are contingent and should be rooted in reality and used to develop an understanding of the use and distribution of economic and political power in specific historical, geographical and social environments (Myrdal 1978; Rutherford 1989; Hodgson 1998). For them it can be right and proper for a country's welfare system to do more than incentivize people to respond to labour market signals because they believe the demand for labour cannot be reduced to how someone disabled or not strikes a balance between the utility of leisure and the disutility of work in response to market signals. Recently stratification economics has used the heterodox approach of the old institutional economics to argue creating a level playing field requires the state to act to offset the influence of historical injustices experienced by stigmatised groups on the outcome of their economic activities (Darity, Hamilton and Stewart 2015).

In the light of the influence of neoclassical economics on UK policymakers, its marginalisation of the influence of institutions on labour market outcomes and concerns voiced by the OECD (2014) that these policies ignore the role of structure on demand there is a clear need to investigate the effect of the UK government's welfare to work policies on the demand from private sector employers for labour from people disabled by mental illness. Conducting such research will add to the disability literature because until now research into the employability of people with a history of mental illness, such as that by Manning and White (1995) and Brohan and Thornicroft (2010) on stigma and Bond et al. (2001) and Burns et al. (2007) on employability, has viewed joblessness as problem of supply rather than of demand.

The fourth chapter opened my investigation into the workings of the market. It set the scene for my interviews with employers by looking at the overall state of the economy and the labour market. Here it was shown that the financial crash of 2008 had caused the demand for labour to fall significantly and that this fall manifested itself in a decline in a surprisingly small rise in unemployment, a drop in vacancies and a sharp rise in underemployment. When one looks at UK and Scottish government statistics it would appear the demand for labour in Scotland will have to grow by a third if the private sector of the Scottish labour market is to absorb the numbers of people with a history of mental

illness the UK government's welfare to work policies hope to introduce to the labour market.

In the course of discussing the crash, Hyman Minsky's work was used to show the consequences of everything being related to everything else. Decades before the events of 2008, he drew on the thinking of Keynes and Schumpeter and the idea of money as a statement of account, a store of value, a source of power and a medium of exchange to argue the financialisation of the economy will have an adverse effect on society (Pollin 2008; Cassidy 2009; Mason 2009; Wolf 2014; Knell 2015). The core of Minsky's argument is rational self interested profit-seeking behaviour by financial businesses will, unless the state intervenes, result in erratic cycles of boom and bust with hedge, speculative and Ponzi phases, which in the long term will slow economic growth, make recessions more frequent and polarise labour demand around a few stable highly paid highly skilled jobs and a relatively large number of low skilled, low paid and unstable ones (Minsky 1982; 1992; Palley 2007). In other words, promoting rational utility maximising behaviour at the micro level will produce results at the macro level that generate feedbacks that make it less likely groups of new entrants to the labour market, such as people who have been disabled by mental illness, will be able to find secure and stable employment.

Minsky's work shows there is more to the demand for labour than a willingness of suppliers to respond to market signals about price. It is relevant to the employment prospects of everyone, but his insights are especially important for groups of people who have historically been excluded from the labour market. History suggests disabled people are more likely to find employment when labour markets are tight and that the least desirable source of labour is jobless people who have been disabled by mental illness (Boardman 2003; Fothergill 2001). In other words, they are the source of labour of last resort.

Government statistics show unfilled vacancies co-existing with high levels of unemployment. Minsky's identification of rational behaviour by financial institutions as something that can adversely affect the demand for labour suggests policymakers will have to do more than spend money on removing barriers to the market, provide legal

rights and fund anti-stigma campaigns if they are to improve the employability of jobless people who have been disabled by mental illness. It points to a need for the state to ensure financial institutions lend to businesses that innovate to create new assets, prevent them from speculating on the paper value of existing ones and in an echo of the thinking of Darity Hamilton and Stewart (2015) address the consequences of the historical exclusion of this group of people from the labour market by providing them with jobs, a framework for interacting with employers and training in the job-specific skills that employers have trouble in sourcing.

Nevertheless, the evidence shows employers knowingly hired people with a history of mental illness even while the recession was giving them access to potentially cheaper sources of labour with up to date skills and better health records. This scenario suggests there are factors in play at the micro level of the economy that shapes employers' demand for labour other than price and up to date skills. It is possible the UK government's welfare to work policies will build on these factors and make it more likely employers will hire people with a history of mental illness for they have aspects that resonate with schools of economic thought critical of neoclassicism. It is consistent with the thinking of Williamson (1975; 1985; 2000) to argue the Equality Act 2010 will improve their employability because it will facilitate a rational calculation of the transaction costs involved in employing them. Following Poire (1978), it is reasonable to believe this legislation will prevent the generation of inflationary pressures and a reduction in jobs by non-disabled workers as they act to protect the pay differences between them and their disabled peers. It is also in line with the thinking of new economic sociologists such as Granovetter (1985; 1995a) on embeddedness and stratification economists like Darity 2005; 2009a) on cooperation within and competition between groups to argue anti-stigma campaigns such as 'See Me' will improve their employability because they make it more likely they will gain access to the social circles inhabited by employers and those who have access to them. If so they will be able to inform them of programmes like 'Access to Work and 'Work Choice'whose purpose is to reduce the costs of employing them. It follows that identifying the effects on the employability of jobless people disabled by mental illness of these policies requires gathering and analysing evidence from employers

about their experiences of mental illness and the labour market. It is how I went about gathering this evidence that the discussion now turns.

In 'Chapter Five', I talked about how my interest in the research question arose from my conflicted experiences of supporting someone who had become mentally ill and being an employer who routinely rejected job applications from people similar to them who had episodic work histories. I wanted to investigate the effect of the UK government's welfare to work policies in the real world, help people with a history of mental illness to improve their engagement with the welfare to work debate and identify ways of improving their employability that did not pose a threat to the quality of their lives.

The literature led me to believe the power of a theory lies as much in the willingness of people to accept it as it does in any ability to provide realistic explanations. It also convinced me that despite their mutual hostility, the insights offered by medicine and sociology and on mental illness and neoclassicism, the new institutionalism and the new economic sociology on economic activity described important and different aspects of reality. Furthermore, the discussion of the 2008 crash and its aftermath led me to conclude the labour market could not be reduced to the sum of its parts and that adherence to a theory could result in action that changed the world in unpredictable ways. Consequently, I decided to sacrifice depth for breadth and take a heterodox approach to mental illness and the labour market when conducting my research, one that resonates with the approach taken by old institutional and stratification economists.

Taking a heterodox approach to the research question meant accommodating different and apparently conflicting understandings of a phenomenon and the possibility that transcendence, feedback and causal relationships may be in play in isolation or together at different times in different places. This challenge led me to embrace critical realism. An approach to research that prioritises ontology over epistemology and epistemology over axiology. Critical realism views reality as having three transcendental lamina: the empirical, which is how events are seen, the actual, which is the events, and the deep, which consists of things that give rise to events such as culture, habit, location, price competition, money, power, rules, shared identities, social networks and values.

Concerning the sample, it was clear I would have to interview employers. Given the resources available to me and Scottish demographics, I thought it reasonable to draw the sample from employers operating in the central belt of Scotland. As for the nature of this sample, I wanted to talk to employers in business of every size to see if their approach to hiring staff was similar. This desire and my adoption of critical realism meant I had to provide definitions of buyers and sellers of labour, which is something I did by drawing on diagnostic and benefits histories and common and statute law. With respect to the size of the sample, I was influenced by the historical difficulty of getting employers to participate in social research (Winkler 1987; USEOC 2003; The Observatory 2003; Wood et al. 2009), the advice of (Becker 1998) to aim for one that would convince a sceptic and the suggestion by Warren (2002) that in qualitative research a sample of between twenty and thirty interviews is appropriate. However, it has to be acknowledged that my approach to the research question means any attempt to generalise the findings and conclusions of this study will be speculative to some degree.

The rest of this chapter will use the literature on disability and the labour market to discuss the four key findings that emerged from my analysis of the evidence obtained by this study. These are:

1. Employers search for labour when their business cannot meet the demand for its goods and services. However, because they view workforce teams as being different from the sum of their parts they believe the outcomes of recruitment decisions will always be uncertain and potentially hazardous.

2. Employers seek to protect themselves from these hazards by ranking the sources of information they used to make hiring decisions in a hierarchy of desirability. Here desirability is determined by their beliefs about the accuracy and cost of the information provided by these sources. In descending order of preference, these are personal experiences; the experiences of people they trust; people who circulate information for a fee; and information generated by competition. They only move down this hierarchy when they think carrying on with a search for labour is less dangerous than continuing with existing suppliers.

3. Employers tended to hire people with a history of mental illness only when they or someone they trust has personal knowledge of them, and this knowledge indicates their skills are greater than those typically required for the post and they can be a social fit with other workplace actors;

4. The flow of money through an economy is an uncertain and volatile regulator of the demand for labour, which can suddenly and unexpectedly create labour markets where for prolonged periods there are far more job-seekers than jobs.

The literature review showed policymakers had identified agency as the arbiter of employability; employment as a realistic goal for people with a history of mental illness, and successful engagement with the labour market as evidence of recovery in and recovery from mental illnesses. The above findings make it clear the demand for labour is, at least partly, regulated by factors beyond the control of the people who supply it. But before an answer to the question driving this thesis can be provided, the above findings have to be pulled into a coherent narrative.

I have partly completed this task by using the work of Minsky to identify the macro and micro components of the economy as being ontologically distinct. To complete it, I will lean on work by Zelizer (2007) on intimacy to discuss the circumstances under which employers hired people with a history of mental illness; the work of Schein on business culture, Jones (2002) on racism, and Darity (2005; 2009), Darity Mason and Hamilton (2010) and Darity Mason and Stewart (2015) on stratification economics to look at how employers use the structures generated by social and economic pressures to prevent recruitment decisions from harming them; and the ideas of Zelizer (2011) about connected worlds and circuits of commerce to discuss employers ranking of information about prospective employees in a hierarchy of desirability. Here, the mechanisms that regulate the establishment of this hierarchy, the barriers that separate its components and the movement of employers down it will be identified. Then it will move on to look at what this narrative indicates about the efficacy of the UK government's welfare to work policies. Finally, the chapter will come to a close by looking at how to build on this study's findings by reflecting on its strengths and weakness.

9.2 Private sector employers' beliefs about, experiences of and reactions to people that have a history of mental illness.

In this section, I explored the interface between mental health stigma and employment. The evidence shows employers associate mental illness with strange unpredictable and disruptive behaviour. A significant proportion of them have beliefs that echo the work of Stalker (2009) in that they look upon people bearing particular diagnostic labels such as schizophrenia as being unemployable. Inappropriate media coverage, which stigmatises people who have been mentally ill, appears to have helped shape these beliefs; but so has experience of managing individuals who have become mentally ill. Nevertheless, more than half the employers in this study knowingly hired someone with a history of mental illness, and only a tiny minority rejected the idea of ever doing so. However, only one employer hired someone with this history from the open market, and another did so via a recruitment agency. The rest hired people that were known to them or people they trusted independent of the existence of the vacancy. Furthermore, there is evidence suggesting they discounted the value of the skills of the people they hired. Together, this evidence suggests the influence of mental health stigma on employers hiring decisions depends on social location, diagnostic labels and job-related skills. As a result, it becomes reasonable to believe the picture painted by so many employers being willing to consider hiring people with a history of mental illness is rosier than reality and that it would be better to research employability by social location and diagnostic label rather than by the portmanteau term mental illness.

The behaviour of the employers who spoke to me does not resonate with the thinking behind neoclassical or new institutional economics. In part, it can be explained by drawing on the thinking of Zelier (2007) about the role of intimacy in economic activity and Granovetter (1985; 1995a) about it being embedded in stratified social networks. However, their explanations do not account for why they were able to discount the value of the labour of the people they hired. If we draw on evidence people are members of multiple groups (Handy 1993) then we can argue some people are simultaneously members of privileged and stigmatised groups. This approach allows us to use the thinking of stratification economists such as Darity (2005; 2009a) to fill this lacuna. He

argues cooperation within, and competition between groups has built a structural framework that allows powerful groups to use historical injustices to reduce the value of labour from stigmatised groups. From here it becomes apparent that membership of a privileged group can mitigate but not eradicate the corrosive effects of the stigma associated with another group. Nevertheless, employers' use of intimacy and social networks as recruitment tools offer a powerful explanation for why they reject the accusations they hold stigmatising views about people who have a history of mental illness and unfairly discriminate against them. For not only do they know some people with this background; they socialise with them, circulate information about jobs to them, and knowingly hire them.

The idea that in addition to competition, intimacy and social networks also shape the recruitment practice of employers is new to the literature on improving the employability of people with a history of mental illness. An explanation for its absence is provided by Zelizer (2007; 2011). In 'Chapter Three' when discussing her thinking about circuits of commerce and connected worlds she was shown to argue orthodoxy identifies economic decisions as rational and social ones as irrational and allowing the rules governing one world to be used in the other as dangerous because everything in the social world could be reduced to a commodity and everything in the economic world could be directed away from economic imperatives towards servicing personal relationships.

From Zelizer's perspective, the UK government's welfare to work policies can be seen as an attempt to erect barriers between the social and economic spheres of activity while extending the reach of the market. Crystallising this line of thought can be done by returning to each of the planks of this policy. The Equality Act 2010 is an attempt to prevent social beliefs about disabled people from interfering with commercial decisions. Why becomes apparent from by reflecting on what it allows and how this is interpreted. Employers can unfairly discriminate against disabled people when it is reasonable to do so. Case law and the code of practice accompanying this legislation make it clear this is largely a question of relative costs because they expect large companies to spend more on accommodating disabled people than small ones. In effect, rights are subordinate to turnover and profit. When one turns to the changes to the benefits system and the periodic

use of 'Work Capability Assessments' these can be seen as an attempt to reduce the resources distributed to people with a history of mental illness as a result of social action. Similarly, Work Choice and Access to Work vocational support programmes become transformed into attempts to make it more difficult for disabled people to argue employers will not hire them because accommodating their impairments make them a more expensive source of labour. As for anti-stigma campaigns such as 'See Me', they complement these policies by trying to educate people on both sides of the labour market to see the labour on offer from people with a history of mental illness as being distinct from the people supplying it, a necessary precursor to having its value determined by the market.

However, the evidence from those employers who have knowingly hired individuals with a history of mental illness shows that when they make recruitment decisions, they did not think it is always necessary to keep their social and economic activities separate. Their behaviour echoes another argument of Zelizer (2011), which is that the economic and social lives of people are connected. However, it does not mean employers are unaware that failing to keep these worlds apart can be harmful. Several of them talked about experiences when hiring someone they knew to have a history of mental illness as a result of social relationships had gone wrong. These experiences raise the question, would they ever hire someone with a history of mental illness again? I did not ask this question, but the evidence that when an employee became mentally ill, some employers strove to keep them in employment suggests it is not beyond the bounds of possibility. The reason for believing this is they all had experience of recruitment decisions that had gone wrong where mental health was not an issue. It would appear experience has led them to look at recruitment failure as being an ever-present and unpredictable threat. When it happened, they thought of it as unfortunate, but they did not look upon it as something that justified abandoning the use of personal relationships and social networks as recruitment tools. An explanation for this could be these relationships allow potential hazards, including those signalled by a history of mental illness, to be contextualised and they provide some degree of protection when things go wrong because it is standard recruitment practice.

Earlier studies from the business management literature support this position. They show social networks protect people by identifying acceptable ways of doing things and generating information over time in digestible chunks whose accuracy is guaranteed by feelings of shared identity, mutual obligations and the threat of punishment if the provider of information does not honour this guarantee (Handy 1993). Furthermore, there is evidence their use can improve business performance by increasing the feelings of control and commitment held by workplace actors because it shows the business values them and their opinions; enhancing the effectiveness of communication inside and outside of the business by creating a variety of information flows that the business can use for different purposes, creating a mutually supportive working environment by ensuring the workforce has a similar background and embedding the business socially and politically in the communities where it is based (Handy 1993).

The UK government's welfare to work policies identify barriers external to the market as the cause of the disproportionately high levels of unemployment experienced by people with a history of mental illness. Their approach to this problem is reducing these barriers by cutting the resources distributed to them through social action, offsetting what they have identified as the additional costs associated with employing people with a history of mental illness and reducing the influence of social factors on economic decisions. Two things are suggested here: the government believes social forces are causing economic resources to be wasted and that the market should have an increased role in distributing them. It indicates a desire to keep the economic and social worlds apart and support for market imperialism. However, the behaviour of employers suggests they are sceptical about the benefits of open competition, at least as far as hiring people with a history of mental illness is concerned. It indicates that an important influence on the ability of the UK government's welfare to work policies to improve the employability of this group of people will be the degree of overlap between the understanding of the UK government and employers about what shapes employers' demand for labour. It is this that will be discussed in the next section.

9.3 What private sector employers think shapes their demand for labour.

Their desire for profit means that when private sector employers look for workers, they want people who will enable their business to produce goods and services that people want to buy. The evidence shows they believe that finding people like this involves questions of technical skills and social fit. They see identifying someone with the skills to the job as a question of risk. While they believe there is no guarantee the most skilled person available will be hired they are confident they will hire someone who is competent. As for identifying someone who will be a social fit with existing workforce teams, which in service industries include customers, they look upon this as a matter of uncertainty. They believe that because of uncertainty the success or failure of a recruitment decision cannot be determined until some time after it has been made. The reason they gave for this was not asset specificity, but the notion teams are different from the sum of their ever-changing parts. Employers fear the potential consequences of this uncertainty, and it appears they have good reason to do so, for everyone who took part in this study had experience of social fit causing recruitment failure and they all knew of situations where the consequences of this were catastrophic for the employer as well as the employee.

Evidently, employers do not think labour is a commodity like any other. Given someone's view of something shapes how they engage with it, whether they want to use it to keep things the same or change them, business culture emerges as an influence on recruitment decisions. Schein (1992; 1996; 1999) has shown that a business' culture is the product of how it resolves problems thrown up by changes to its external environment and how it integrates changes to its internal one. He argues business culture has three levels. At its deepest, it consists of a set of underlying tacit assumptions about how the world is and how it ought to be that is shared by a group of people, which determines how they think and feel about their environment, and to some degree react to it. At the next level, it consists of the stated strategies, goals, and philosophies that shape operational policy. And at the final strata, are the manifestations of culture, which include how people are recruited, how the workspace is organised and how workers present themselves. These three levels can conflict with each other. For example, a written policy

commitment to equal opportunities may exist at the second tier of an organisation as a reaction to the demands of legislation. But at the same time, the internalisation of norms and practises that have emerged over time to protect against uncertainty can result in a rejection of these policies at the first and third levels. To reflect on the implications of this for the employment opportunities available to people with a history of mental illness it is helpful to draw on the literature on racism and stratification economics. In doing this, it is important to recall what I said in 'Chapter Three': racism and disablism are not the same. However, their differences will not affect the argument I am making.

Racism is a system of structuring opportunity and assigning values based on ethnic grouping, which unfairly discriminates against some people and unfairly favours others. It wastes human resources and undermines the ability of society to realise its full potential (Darity 2005; 2009a; Darity Mason and Stewart 2010; Phyllis Jones 2002). It takes three forms: personally mediated racism, where individuals consciously or unconsciously use race to differentiate how they act or fail to act towards people with a different ethnic origin; internalised racism where members of an ethnic group accept negative judgements about their abilities as being justified and as a result fail to challenge racism when it manifests itself; and institutional racism where norms, policies, practices and structures lead to people of different races having different access to goods, services and opportunities. My argument draws on ideas developed in addressing the subject of institutional racism. Phyllis Jones (2002) describes this as the structures policies practices and norms that differentiate access to goods, services and opportunities by race. In other words, racism against an ethnic group is something that results in members of that group inheriting disadvantage because over time racism creates and reinforces a stratification of economic activity and access to power (Darity 2005; 2009a; Darity Mason and Stewart 2006; 2010).

Recently, stratification economics has moved beyond race to look at caste gender and religion (Darity Hamilton and Stewart 2015). The relevance of its argument that historical injustices can result in members of maligned groups inheriting economic disadvantage to mental illness can be seen by revisiting the discussion in 'Chapter Two'. With respect to material conditions people who have been mentally ill have historically

been made wards of the state and excluded from the workforce, and until very recently this exclusion has been justified by medicine, legitimised by policymakers and accepted by the public (Rogers and Pilgrim 2010). In a society that prefers market to public ordering, the resources allocated to their support has resulted in a disproportionate number of them living in areas with high levels of unemployment and poor access to high-quality healthcare, education and housing (Dohrenwend 1990; Dohrenwend 1992; Meltzer et al 1990; Thomas et al 1996; Marwaha and Johnson 2004; Butterworth et al 2009; Crisp et al 2009). So not only have they historically been viewed as being unable to work many of them are actually unable to work or have a reduced capacity to work and have a limited ability to change this situation. As for access to power, living in these areas means they tend not to have access to employers or members of their personal networks. Why these disadvantages become inherited ones emerges by linking the debate that started when Faris and Dunham (1939) found a connection between having a history of mental illness and living in an area with multiple social problems with evidence about social mobility in the UK. For most of the time since Farris and Dunham, this link was explained by social drift, but now the evidence identifies social causation as being the primary cause (Fox 1990; Cooper 2005; Hudson 2008; Stilo et al. 2013). As social mobility is extremely limited in the UK (Blanden et al. 2005; Social Mobility and Child Poverty Commission 2014), this points to the disadvantages associated with mental illness being, to some extent inherited ones.

In 'Chapter Six', it was shown employers associate mental illnesses with uncertainty and that when they hired people with history of these conditions, they only tended to do so when they shared a personal relationship or were members of the same or overlapping social networks. The evidence indicates that they were using the benefits of shared group membership to protect themselves from uncertainty producing outcomes harmful to them. Given they believe the trade in labour is always uncertain, the possibility is raised that their behaviour towards job seekers with a history of mental illness is evidence of how they normally go about satisfying their demand for labour. It is important to identify whether this is the case because if it is, it suggests the labour market is institutionally disablist, and a cause of disability and it also casts doubt on the ability of the UK governments welfare to work policies to change things. It would be institutionally

disablist because it causes the abilities of some people with a history of mental illness to be judged unfairly; a cause of disability because it will prevent many of them from having their talents assessed at all, which means they and their children will be unable to use paid employment to realise their potential or prevent poverty from degrading their mental well-being and it cast doubt on the efficacy of the UK governments welfare to work policies because the only social influence on employability they address is stigma and they do not confront the question of job specific skills at all.

9.4 Employers recruitment practices and the influence of the UK government's welfare to work policies.

The evidence indicates that when employers search for staff, they try to protect themselves from the potential for harm inherent in uncertainty by ranking sources of information in a hierarchy based on reliability and cost. Here information supplied by personal experience is seen as the most desirable followed by, in descending order, information provided by people they trust; information provided for the payment of a fee and information generated by competition in a market. If we map a search for labour that descends every stage of the hierarchy, then their behaviour can be more plausibly explained by different understandings of trade. At the start of the search, their use of personal knowledge resonates with Zelizer's ideas about the role played by intimacy in economic activity. When they move on to use information from people they trust, their actions echo more with the thinking of new economic sociologists such as Granovetter (1985; 1995a), and stratification economists such as Darity (2005; 2009a) about groups and social networks shaping and being shaped by economic activity. As their search continues, their use of agencies can be better explained by the arguments of Williamson (1975; 1985; 2000) that market actors use institutions that have emerged to manage transactional costs. Finally, at the last stage when they invite applications for a vacancy their actions bear their closest resemblance to the neoclassical model favoured by policymakers: trading for labour in a market regulated by price competition.

Their use of this hierarchy to recruit staff indicates that when they hired people with a history of mental illness, they were using standard practice when they filled the vacancy. It also shows that employers use ties that cut across different economic and social settings

and specific ties in specific settings when they make recruitment decisions. Examples of ties cutting across economic and social settings are Michael hiring his son; Gavin allowing a manager located at the other side of the country to use information generated by his social circles to hire someone with a history of mental illness and Gus hiring someone who was a friend of the family. Examples of specific ties being used in specific settings are Brendan's preference for giving his existing employees first crack at any vacancy he had; Julian's use of agencies when he had to locate someone with scarce skills or find large numbers of workers at short notice and the willingness of the overwhelming majority of employers to use price competition after all other options had been exhausted.

Different perspectives on the labour market have different strengths and weaknesses. On the one hand work by new economic sociologists such as Zeliter (2007) and Granovetter (1985; 1995a) and stratification economists such as Darity (2005; 2009a) can accommodate the use of ties that cut across different settings. For example using information generated by an intimate relationship or shared group membership to justify hiring a friend, a friend of a friend or someone with a similar background. But they struggle to explain the use of different ties in different settings such as hiring someone where there is no pre-existing social relationship or common identity. On the other hand, work by neoclassicists such as Layard and Nickell (2003) and Layard (2001) on incentives and the natural rate of unemployment and new institutional economists such as (Williamson 1975; 1985; 2000) on transaction costs can comfortably accommodate the latter but not the former. If a coherent narrative about the trade in labour is to be constructed, then these differences will have to be reconciled.

Help in doing this is provided by reflecting on groups. Groups can be loose or tight, and they form and evolve in response to a variety of economics and social pressures. These groups serve different purposes and send out different signals about their members. People are simultaneously members of various groups that have different levels of status and power. Someone can be rich or poor and have a history of mental illness, prominent politicians can come from various castes, and successful academics can belong to a variety of ethnic groups. Here acts of agency and their results influence how groups are

perceived. However, structural inertia also means acts of agency and their results are interpreted through the lens of those groups people are members of (Handy 1993). It follows that the influence on acts of agency exerted by membership of one group can be amplified or mitigated by membership of another.

With this in mind, I intend to use the work of Zelizer (2011) on circuits of commerce that was discussed in 'Chapter Three' to create a narrative about the recruitment practices of the employers who spoke to me. Her heterodox approach to economic analysis echoes with the tack taken by old institutional economists such as Veblen (1909); Myrdal (1978), and Hodgson (2009) and stratification economists such as Darity (2005; 2009a). She reconciles the differences between the under socialised understanding of economic activity on offer from neoclassical and new institutional economics and the over socialised one provided by the new economic sociology by stratifying economic activity. Her use of stratification goes beyond that of the stratification economists for not only does she use it to show how agency and structure; and cooperation and competition influence economic activity; she also explicitly demonstrates how the media of exchange varies as economic actors move between strata.

It will be remembered Zelizer (2011) states the connections between people's social and economic lives creates circuits of commerce, that commerce includes but is not limited to exchange for money, that each circuit has a well-defined border where movement across it is policed and monitored and that in each circuit a distinctive set of transfers is facilitated by specific media and ties whose meaning is shared by members of the circuit. Zelizer argues that because people are members of multiple circuits of commerce they can use them to create an institutional structure that allows them to utilise modes of exchange and levels of trustworthiness that are appropriate for their current needs, desires and freedom of movement. If we apply this line of thinking to how the employers who took part in this study ranked the sources of information they used to make recruitment decisions, then each tier can be viewed as a circuit of commerce. At the top are intimate relations and social networks where it is appropriate to circulate information about jobs and employability as a gift whose value is underpinned by custom and practice; a shared sense of identity; feelings of mutual obligation; and the existence of penalties for

breaking with established norms. It is attractive to employers because not only is it low cost it is also seen as the best way of making an uncertain world safer; more predictable and less threatening. The next most desirable source of information is a circuit of commerce where a fee is paid, to a recruitment agency for example, for information about potential recruits. Here the nature of the relationship means it is in the interests of the agent receiving the fee to provide the principal with accurate information if they want to receive more business from them. Lastly, there is a circuit of commerce where information is circulated as a result of competition. Here the lack of any pre-existing social relationship or prior alignment of economic interests means the employer has no control over who is providing information. As a result, they have to manage a situation where job seekers might think it is in their interests to provide inaccurate information if they believe it will give them a competitive advantage.

The indications are it is the means of exchange and the appropriateness of their use that are the mechanisms that create the boundaries separating the circuits of commerce. As for the mechanism that catalyses movement between them, the evidence suggests it is the answer to the question, what is less threatening: continuing with existing sources of labour or searching for new ones? One influence on the answer to this question is the flow of money through the economy. The more robust it is, the easier it is to gain access to it in the form of credit and retained profits, and the further an employer will travel down the hierarchy. Because, in such circumstances, demand for a business's goods and services will tend to be greater; the pressure to fill the vacancy higher; and worries about the consequences of getting a recruitment decision wrong lower. Another influence on the answer to the question about threat is membership of a historically stigmatised group. Given the employers I spoke to tended to hire people with a history of mental illness only when they knew them, or they were known to someone they trusted the illness the indications are the ability of the stigma associated with a specific group to devalue the labour on offer from a member of that group increases as employers descend the hierarchy. It follows that the malign influence of stigma will be reduced by increases in the flow of money through the economy. Evidence supporting this conclusion comes from the literature, which shows employers are more likely to hire disabled people when the demand for labour is high (Boardman 2003; Fothergill 2001).

During this descent, information used to make recruitment decisions changes from a gift guaranteed by shared identity, mutual self-interest and feelings of obligation; to a commodity secured by commercial self-interest; to a tool used to gain a comparative advantage. The use of the hierarchy explains why many jobs never seem to reach the open market; the paucity of HR professionals in private sector businesses; the ignorance of employers about the UK government's welfare to work policies and their hostility to welfare to work contractors. The reason jobs never reach the open market even in areas when there are high levels of unemployment is that employers have decided it is not in their interests to move from a circuit of commerce where the accuracy of information is guaranteed by social pressures or financial self-interest to one where this accuracy can be undermined by the self-interest of the job seeker. This explanation does not blame the unemployed for being out of work, and it confirms the suspicion that the labour market is institutionally disablist and a cause of disability because many people with a history of mental illness will be unlikely to have access to the circuits of commerce employers prefer to use when filling vacancies because disproportionate numbers of them live in areas with high unemployment (Dohrenwend 1992; Meltzer et al. 1990; Thomas et al. 1996; Marwaha and Johnson 2004; Butterworth 2009; Crisp 2009).

From the perspective of connected worlds and circuits of commerce, the reluctance of employers to hire HR professionals and their ignorance of welfare to work policies are interrelated. Government policies assume jobs are filled through competition based on price (Crouch 2010; Dutt and Wilbur 2010; Mandel 2012) and that businesses hire enough HR professionals to create competition; interpret the information it generates and to ensure compliance with the law (Ulrich 1997; Kaufman 2010; Keep and James 2010). However, employers tend to regard open competition as the recruitment tool of last resort. As a result, smaller businesses do not employ HR professionals, and larger ones only employ enough of them to facilitate the recruitment decisions of its managers. Consequently, unless someone, for whatever reason, draws the attention of an employer to the UK government's welfare to work policies, there is no reason why they would have or need to have more than a passing acquaintance with them.

As for the hostility of employers towards private sector welfare to work organisations, it is reasonable to believe this is rooted in their use of personal relationships and social networks to protect them against harm in an uncertain world. The relationship between the government and welfare to work companies is one where the former body is the principal and the latter are the agents. It is one that marginalises employers, and it can lead to situations where the agent will try to get paid by persuading them to take on unsuitable clients and offering as little support as possible. The evidence from employers such as Andy and Billy indicates this has happened and the evidence from Karl suggests it has led many of the employers who participated in this study to mistrust these organisations because they believe the only interest these companies have in the businesses they approach or the clients they support is as income generators. The recent actions of the UK government indicate this belief has some substance for they have changed the financial structure of welfare to work contracts to make payment contingent on the challenges posed by a client and supporting them after they have found work. However, this change does not address the marginalisation of employers or the legacy of past behaviour. Why would an employer take on somebody they don't know, who has no job-specific skills and a health history signalling the potential for disruptive behaviour on the recommendation of someone they don't trust, who does not know their business or the challenges they face? Evidence the failure to address this question is causing problems can be found in studies that show welfare to work organisations are parking more difficult clients in favour of giving support to more employer-friendly ones (National Audit Office 2014; Finn 2011; and Rees et al. 2014). An alternative approach that could address this problem, which is consistent with Zelizer's circuits of commerce and connected worlds approach is for the state to require welfare to work organisations to help members of disadvantaged groups to develop the skills employers find difficult to source and build supportive relationships with employers independent of attempts to move their clients into employment.

Using Zelizer's thinking to frame the findings of this study does not inevitably lead to a conclusion that the UK government's welfare to work policies will not have any positive effects on employers' recruitment decisions. The reviews of the 'See Me' anti-stigma campaign suggest it has succeeded in making individuals with a history of mental illness

more socially acceptable (Myers et al. 2009; Pilgrim and Corry 2013). If this has resulted in people with a history of mental illness becoming members of employers social networks, then Zelizer's thinking suggests it will also have had a positive effect on their employment prospects However, the discounting of their labour suggests it will do so in a way that resonates with the arguments of Darity (2005; 2009a) about the influence of group membership on economic success and those from Sayer (2005) about the moral significance of class.

The evidence shows employers beliefs about what is involved in hiring labour and how they go about this activity is different from the presumptions of policymakers; that the demand for labour has declined and changed as a result of the financial crisis of 2008, and disproportionate numbers of people with a history of mental illness live in areas of high unemployment. It has led me to two conclusions about the ability of the UK government's welfare to work policies to increase demand from employers for labour from jobless people who have been disabled by mental illness. The members of this group who will benefit most any increase will be those whose social circles include employers or people known to them, but that overall it will be unlikely to be anything like enough to prevent the vast majority of them from remaining jobless. Given these findings, it needs to be asked, how can the evidence from this study, which suggests the demand for labour cannot be reduced to price competition between individuals and Zelizer's connected worlds and circuits of commerce approach to economic activity be used to improve this situation? But before answering this question, it is first necessary to reflect on this study's strengths and weaknesses

9.5 Strengths of the study.

Empirically this study has demonstrated employers working in a variety of businesses of different sizes operating in various sectors and locations are willing to participate in sociological research. It is a finding that should encourage anyone thinking of carrying out similar work who has been worried by assertions to the contrary in studies such as those by Mungham and Thomas (2003); US EOC (2003); and The Observatory (2003).

The approach taken in this study has demonstrated interpersonal ties connect people in one setting to different arrays of people inside and outside of that setting. These circuits incorporate different understandings, practices, information obligations rights symbols and media of exchange. Doing this has shown that the hostile worlds approach to analysing the labour market, which underpins the UK government's welfare to work policies, is methodologically unable to deal with the intersections between people's social and commercial worlds created by those ties. It has also shown that critical realism in the form of Zelizer's connected worlds and circuits of commerce approach is compatible with the yoking together of economic, medical and sociological thinking in a way that allows the influence of trade, medicine and the social relationships to be explored. As a result, it has been able to demonstrate that employers satisfy their demand for labour in a way that is institutionally disablist and open the door to developing a theory or theories of demand for labour that can be used to improve the employability of jobless people who have been disabled by mental illness.

It can be argued abandoning a hostile worlds approach on a contingent basis is dangerous. For example, Becker (1996) has identified social problems involving money as economic ones whose true nature is obscured by a cultural fog. Ignoring this could allow economic arguments to be used to undermine any support offered to people with a history of mental illness, which does not have the goal of turning their activities into commodities. However, this argument cuts both ways. Darity, Mason and Stewart (2006; 2010) have argued that competition between groups has stratified the economy in ways that resulted in different people from groups being rewarded differently for the same effort. Feminist economists have argued excluding non-market work from economic consideration reduces female claims on the income of other family members (Philipps 2008). These points are relevant to mental illness. They can be used to argue politics and the law should take account of the nature of an employer's demand for labour in ways that grant people who have a history of mental illness rights and protection against the outcomes produced by market ordering and compensation for past injustices, which is something stratification economics has done with respect to race and caste (Darity, Hamilton and Stewart 2015).

The indications are the need to make these arguments will become more urgent as the economy moves away from manufacturing towards services. Increasingly, customers are becoming members of workforce teams. Consequently, employers increasingly want workers who can induce feelings of well-being in others. As a result, workers have to be able to separate how they are feeling from how they present themselves. To do this, they have to be able to continually rearrange their psychological wiring as they move from customer to customer (Hochschild 2012). Not only might this be harmful to the less mentally resilient it also suggests employers will become increasingly cautious about hiring them. By taking the above into account, it would be possible to develop welfare to work policies that improve the employability and lives of people with a history of mental illness by striking a balance between choice and coercion that reflects the realities of mental illness and changing demands for labour.

9.6 Weaknesses of the study.

The literature on qualitative methods advises researchers to treat research subjects as seams of information to be mined until exhaustion (Bryman 2008; David and Sutton 2004; Ritchie and Lewis 2003; Creswell 2013). This study only conducted one interview with each employer. With hindsight, the willingness of employers to participate in the research and the time they were willing to grant me suggests it would have been possible to have conducted a pilot study to refine the research instrument and to have interviewed them more than once. Doing this would have meant spending more time with employers, which would have given them a greater opportunity to reflect further on their evidence. So although I reflected carefully over time upon the evidence from each interview, it would be difficult to claim I had extracted all the information my sources could provide.

 It also has to be acknowledged that the data generated by the interviews is subjective. The nature of the research subjects, the power they wielded and the sensitivity of what was being discussed made it impossible to independently corroborate their testimony. So while it was possible to identify medical, social and economic considerations as regulators of how employers satisfy their demand for labour and to see that the outcomes of this regulation influences on the employment opportunities available to jobless people

who have been disabled by mental illness, it was impossible to compare the weight given to them by individual employers or employers working in different sectors.

As I have discussing depth versus breadth in 'Chapter Five' and earlier in this one, I do not intend to do so here, other than to address questions about the size of the sample. The literature can be used to attack or defend it, which reflects the tension between a desire for understanding to be deep and generalisation to be broad (Silverman 2006; Bryman 2008). Consequently, it can be accused of making sweeping generalisations using limited empirical evidence. Only four of the employers interviewed were women, all of them were white, and they were all based in a highly urbanised part of Scotland. As a result, the findings of this study may not apply to businesses run by women, members of ethnic minorities or ones based in rural areas.

Reflecting on the conduct of the study and its effect on the results it produced requires acknowledgement that I framed the questions, recruited the participants, carried out and transcribed the interviews and interpreted the evidence. So although I can claim my approach to the research question and the findings it has uncovered have been influenced by the literature, I also have to accept my experiences, prejudices and values have been in play. However, unlike most studies in this area, this one let employers speak for themselves about their influences rather than make presumptions about them. Consequently, I can claim to have minimised the role played in this study by essentialism.

9.7 Building on the findings of this thesis.

Current UK welfare policy identifies paid employment as evidence of being in recovery from and in recovery in mental illness. It presumes people will recover if they can engage with the labour market and react positively to is signals. This thesis has shown that the overall demand for labour is subject to something volatile and beyond the control of employers and workers: the flow of money in the economy and that currently, this has created a market where there are many more workers than jobs, and many of those in work are underemployed. It has also shown employers believe the outcomes of recruitment decisions are uncertain, experience has taught them uncertainty can produce

hazardous outcomes, and they prefer to fill vacancies by targeting sources of labour that can do the job needing done in a way that is acceptable to other workplace actors by using personal experience, the experience of people they trust, or have paid to trust. It is an approach that has led them to hire some people with a history of mental illness who share their social circles. But even when this has happened, the stigma associated with mental illness has allowed them to discount the value of their recruits' labour.

Many people with a history of mental illness who are moving off disability benefits are unlikely to inhabit the same social circles as employers, those who have access to them, or have up to date job-specific skills. In the light of the above evidence, this suggests the labour market is institutionally disablist towards them. Matters are made worse by the negative attitude employers appear to have towards the companies employed by the UK government to implement their vocational support programmes. In an echo of the thinking of Darity Hamilton and Stewart (2015), it follows that even though equalities legislation has given them the right to compete for work on less unequal terms than before and anti-stigma campaigns have made people with a history of mental illness more socially acceptable, history means recovery in the form of paid employment cannot be seen as a matter of choice. Consequently, welfare to work policy needs to embrace the idea historical, social and structural factors influence an employer's demand for labour, move away from individual to collective notions of recovery and be more thoughtful about linking paid employment to recovery if it is to improve the lives of those people with a history of mental illness who have been in receipt of disability benefits.

The evidence in this study indicates this will require research to move away from identifying and quantifying barriers to the market towards looking at how markets create structures and why they affect different groups in different ways. Doing this requires researchers to engage with employers and the debates in economics and sociology about the labour market. With this, the ontology of demand suggested by Zelizer's connected worlds and circuits of commerce approach to trade, and this study's strengths and weaknesses in mind the following are areas my investigation leads me to believe would benefit from further research.

a) How the flow of money in the economy influences the employability of people with a history of mental illness;

b) The proportion and types of vacancies that are filled through personal relationships, social networks; recruitment agencies and competition by different types of employer in different geographic areas;

c) How employers target labour, the aim of this would be to facilitate the development of initiatives that would include people with a history of mental illness in the pools of labour generated by employers personal experience; social networks and recruitment agencies;

d) The role of stigma in devaluing the labour of people with a history of mental illness.

e) How to support people who have a history of mental illness to develop those job-specific skills employers have difficulty in sourcing;

f) How to improve employers' perceptions of welfare to work contractors and make it more likely they will engage with them, and

g) How to improve employers' knowledge of mental illness, institutional disablism, stigma and making reasonable adjustments to the workplace.

The need for this work is becoming more important as the economy moves away from manufacturing towards services. Increasingly customers are members of workforce teams. Because of this employers increasingly want employees who can induce feelings of well-being in others. The psychological challenges involved in this could lead to jobs being more mentally demanding and employers looking for mentally resilient workers. Embracing the idea normative thinking will always influence recruitment decisions allows this to be taken into account in ways that justify granting people who have been disabled by their mental health rights and access to resources that will not only improve their employability but also enable them to lead fulfilling lives when there is no demand for their labour or when it would be harmful to them to work for a living. Acting in this way opens the door to recovery being used to improve the lives of people with a history of mental illness rather than as a Trojan horse for market fundamentalism.

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Appendix One.

Introductory Letter.

DD/MM/YYYY

Dear Sir/ Madam

How has the governments welfare to work policies affected the demand from private sector employers in the central belt of Scotland for the labour of people who have been disabled by mental illness?

My name is Bernard McNally I am researching the above question as part of my PhD studies. I am writing to invite you in your capacity as an employer/welfare to work organisation to participate in this investigation, which has been approved by the ethics committee of the University of Glasgow's college of social sciences.

Historically a proportion of the living costs of many people disabled by mental illness have been borne by the state through incapacity benefits. Government is now challenging this. Last year it announced the intention to move 90% of them, almost half a million people, into the labour market by 2013. To achieve this it has implemented policies underpinned by the belief supply will create its own demand. It assumes these policies have created an environment where employers will be willing and able to successfully recruit from this pool of labour.

It is not clear if this is the case: little is known about how employers' attitudes to and experience of mental illness will interact with other influences on their recruitment decisions. The purpose of this research is to investigate this and gain and understanding of where people disabled by mental illness will be located in the labour market. As an employer/welfare to work agency your insights would be invaluable, not only go this research, but to potentially inform future developments.

To help you decide if you wish to participate I enclose an information sheet, this provides more detail about how you would be involved and the conduct of the research. If you want more information please contact me at the Strathclyde Centre for Disability Research, University of Glasgow, Room 204, Adam Smith Building, Glasgow G12 8RT, Tel 0141 330 4651, Email: b.mcnally@research.gla.ac.uk.

I enclose a research consent form for you to indicate if you wish to take part and a stamped addressed envelope which you can use to indicate if you wish to take part and a stamped addressed envelope, which you can use to return this form to me.

Yours Sincerely

Bernard McNally

PhD Research Student

University of Glasgow

Strathclyde Centre for Disability Studies

Enc: Subject information Sheet; Research Consent Form

Appendix Two.

Plain language Sheet.

DD/MM/YY

How has the governments welfare to work policies affected the demand from private sector employers in the central belt of Scotland for the labour of people who have been disabled by mental illness?

You should read this sheet in conjunction with your letter of invitation. Take what time you need to reflect on these or to discuss them with others. If you agree to participate it is on the understanding that this agreement is voluntary and can be withdrawn at any time for any reason and without explanation.

Demands on Research Participants:

It is intended to interview participants once, for up to forty five minutes, at a time and place of their choosing. The interviews will be recorded and there will be some contemperous note taking. They will take place between the 31st January and the 31st December 2013. Each recording will be transcribed. Everyone will be given a copy of their transcript for scrutiny and comment. This should take around thirty minutes. You will be provided with a form and a stamped addressed envelope which you can use to indicate your opinion of the transcripts accuracy. Clarification will be sought regarding perceived inaccuracies. This may prompt a request for a follow up interview. This will be subject to the same rules as before. Feedback on your participation will be provided on request. You will be given access to the final results.

Anonymity and Confidentiality:

The recording and the transcription will be done in a way that protects anonymity and confidentiality. Any information about your name and address will be removed from the recording and the transcript. They will be stored securely at the Strathclyde Centre for Disability Research at Glasgow University using individual ID numbers and a deciphering key linking numbers to names. This will be kept separately from the recording and transcripts. Only the researcher and his supervisors will have access to them.

While everything will be done to protect your anonymity and confidentiality we are bound by the same legal duties as everybody else: we will not keep confidential or anonymous any information indicating any intention to behave in a criminal manner

Contacts:

You can contact me using the details in your letter of invitation. Alternatively you can contact my supervisors: Professor Nick Watson, Tel: 0141 330 3916; email Nicholas.Watson@glasgow.ac.uk or Professor Philip Beaumont, Tel: 0141 330 5129; email Philip.Beaumont@glasgow.ac.uk, or alternatively the University ethics officer Terri Hume; Tel: 0141 330 3007; email: Terri.Hume@glasgow.ac.uk.

Thank you for considering whether to participate in this study. You can dispose of this information sheet as you see fit.

Appendix Three.

Consent Form.

Bernard McNally,   Consent Form:
Freepost SCO1063,   Centre Number:
Strathclyde Centre for Disability Studies,   Study Number:
Room 204, Adam Smith Building,   Subject Id Number:
University of Glasgow,
G12 8RT.

Consent Form

Title of research project: how has Government welfare to work policies affected the demand from private sector employers in the Central Belt of Scotland for the labour of people who have been disabled by mental illness?

Name of Researcher: Bernard McNally, PhD Research Student

1. I confirm I have read and understood the information sheet dated the 19/01/2013 for the above study and have had the opportunity to ask questions about it. **Yes/No.**

2. I understand that my participation is voluntary and that I am free to withdraw from this research at any time without having to give any reason or having my legal rights affected. **Yes/No**.

3. I agree to take part in the above named study. **Yes/No.**

....
  Print Name of Person   Date   Signature
  Giving Consent

....
Print Name of Person   Date   Signature
Taking Consent

Appendix Four.

Ethics Consent Letter.

University of Glasgow | College of Social Sciences

Ethics Committee for Non-Clinical Research Involving Human Subjects

Staff Research Ethics Application Outcome   ☐

Postgraduate Student Research Ethics Application Outcome ☒

Application Details

Application Number: CSS20120254

Application Type New   ☐   Resubmission ☒

Applicant's Name Bernard McNally

Project Title   How has Government welfare to work policies affected the demand from private sector employers in the Central Belt of Scotland for the labour of people who have been disabled by mental illness?

Date application reviewed *(d.m.yr)* 28/01/13

_____

Application Outcome   **Approved**

Start Date of Approval ____ *(d.m.yr)*   04 February 2013

(blank of if not approved)

End Date of Approval ____ *(d.m.yr)*   31 December 2013

If the applicant has been given approval this means they can proceed with their data collection with effect from the date of approval.
_____

Recommendations   (where application is Not Approved)

Please note the comments below and provide further information where requested. All resubmitted application documents should then be sent to the College Office via email to Terri.Hume@glasgow.ac.uk. You must include a covering letter to explain the changes you have made to the application.

Major

Not applicable.

Minor

Not applicable.

Comments   *(other than specific recommendations)*

The consent form should have an additional option which allows the participant to choose whether the interview is recorded or not.
PLS & Research Information Sheet: The contact detatils of the Ethics Officer should be included

Please retain this notification for future reference. If you have any queries please do not hesitate to contact Terri Hume, Ethics Secretary.

Appendix Five.

Transcript Accurracy Form.

<center>**Transcript Accuracy Form.**</center>

Centre Number:
Study Number:
Subject Identification Number:
Transcript Number:

       Conformation of accuracy of Transcript Number............   Dated: ....

Title of research: how has Government welfare to work policies affected the demand from private sector employers in the Central Belt of Scotland for the labour of people who have been disabled by mental illness?

Name of Researcher: Bernard McNally, PhD Research Student.

1. I can confirm I have read and understood the transcript of the interview dated the ....**Yes /No.**

2. I can confirm I have had the opportunities to ask questions about it. **Yes/ No.**

3. I confirm it is an accurate version of the interview that took place
    on the ....**Yes/No.**

....

  Print Name of Person   Date   Signature
  Confirming Accuracy

....

Print Name of Person   Date   Signature
Receiving Confirmation

Appendix Six.

Topic Guide.

DD/MM/YYYY

Question: how has Government welfare to work policies affected the demand from private sector employers in the Central Belt of Scotland for the labour of people who have been disabled by mental illness?

Topic Guide: Interviews with employers.

A. **Introduction**
1. Give name, tell them a bit about yourself, ask interviewee's name, ask how long they've been working there; about their position; what it involves; tell them a bit about the research how it will be conducted and why you're doing it.
2. As about the firm/agency what it does do, how long it has been going for, its nature its scope and the type of employee it has?

B. **Needs of the business.**
1. What are your main considerations when deciding to create and fill a vacancy? (Memo: type of post; purpose of post; seniority; degree of skill needed; opportunity cost)
2. What are the most important attributes you look for in a prospective employee (Memo: honesty; reliability; competence; achievements; attitude to work; flexibility; experience; presentation; social skills; values; work record)
3. What risks are involved in filling a vacancy? (Memo: nature of duty of care to whom, in what circumstances)
4. How do you manage them? (Memo: reasonable precautions and due diligence)

C. **Knowledge of mental health issues.**
1. What do you understand by the term mental illness? (Memo: cause; type).
2. What do you think are the symptoms of these types of illnesses? (Memo symptoms v medical side effects).
3. Do you think a person who has had a mental illness can recover?

D. **Risk to the employer in employing someone with a history of mental illness.**
1. Ask them about their experience of managing mental illness in the workplace. Have they employed someone who has a history of mental illness or someone who developed a mental illness while employed? What was the effect on the business? What was the outcome for the person involved?
2. Do they think employers would allow for the symptoms of mental illness if they were particularly skilled; held a senior position or had a good work history?

3. Are there additional risks involved in recruiting someone with a history of mental illness?
4. What kind of risks are they? (Memo: reliability, violence, financial? To who; customers, staff, image? To what; service; product; image? Is this risk dependent on the size of the company?).
5. How much are the risks dependent on the type of job they would be doing? (Memo: seniority; location; working alone / as part of a group; dealing with customers; working as an expert).
6. Can you think of how these risks can be managed? (Memo: is the answer influenced by employer size?)
7. If a job candidate made you aware they had a history of mental illness, when would their personal attributes outweigh their health record when reaching a decision about employing them?
8. Is there any kind of job a person with a history of mental illness should be ineligible for?
9. If yes, Why?

E. Labour Market.
1. Are you aware of any equal opportunities legislation governing the employment of people with a history of mental illness?
2. If yes, enquire about this awareness and how it has influenced their recruitment practices.
3. Are you aware of any campaigns aimed at reducing the stigma associated with a history of mental illness?
4. If yes, enquire about this awareness and how it has affected their recruitment practices.
5. The government intends to move 90% of people who receive incapacity benefits because of mental health problems into the labour market by the end of 2013. Half of them have not worked for more than four years. Would you consider employing people from this pool of labour?
6. If no, why not?
7. If yes, for what kind of jobs?
8. Can you think of any supports for employers that would make it more likely they would consider taking on unemployed people who have had mental health problems?
9. Can you think of any supports for unemployed people with a history of mental health problems that would make it more likely they would obtain employment?

F. Close.
1. Run through what will happen to the recording and transcript, how it will be used for the research, the timescale over which this will occur and what they will obtain as a consequence of taking part in the research.
2. Offer them the opportunity to ask any questions that occurred to them as a result of the interview.
3. Let them know that if they come up with questions at a later date they can use the contact details to get an answer.

Thank them for taking part in the research.