‘Dependency’ and disability: how to misread the evidence on social security

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Contemporary narratives on ‘welfare dependency’ turn on airbrushing long-term disability out of the evidence.

Both left and right have a tendency to treat out-of-work benefit receipt as a symptom of broad societal malaise - whether this is seen in terms of the failures of capitalism, or of moral decline, or (increasingly, on both sides) of both. But neither of these perspectives is appropriate for the purposes of discussing a system that mainly deals with situations which would need to be addressed by any functioning welfare state, under any plausible economic circumstances or social values: i.e., assistance in periods of temporary unemployment or sickness, and for longer periods of severe and long-term disabling conditions and caring responsibilities.

The sort of grandstanding references to ‘six million people on welfare’ that dominate political debate in this area involve airbrushing out of the picture these routine functions of the benefits system, in favour of shadowy social archetypes: families where ‘no one has worked for generations’, communities where ‘no one works around here’, ‘the underclass’.[1] The conflation of social security and social

dysfunction is one of the dominant tropes of current debate on welfare on all sides. Will Hutton, on the centre left, could declare last year that 'the welfare state was not set up to support vast families or single mothers in intergenerational welfare dependency' - the question of whether it was to any significant extent doing anything of the kind was not even posed.[2]

It is well known that social security systems can have intended and unintended effects that go well beyond their function of managing social risks. However, the extent to which any system does have negative effects is essentially an empirical issue rather than a matter for intuition; but the sort of accusations that have been levelled against the UK system by commentators on left and right have rarely been supported with relevant, up-to-date data on who claims out-of-work benefits, why, and, crucially, for how long. Indeed most assertions on 'welfare dependency' turn on an implicit and quite erroneous assumption that benefit claims are overwhelmingly long-term in nature.

This article looks at the area of the benefits system that is most relevant to discussions that present long-term benefit receipt as a symptom or a cause of societal problems - i.e. those in receipt of incapacity and disability benefits, which now account for some 81 per cent of all long-term out-of-work claims (claims running for five years or over). To understand the underlying trends within this group we begin with the history of economic inactivity and benefit receipt from the early 1980s to the mid-1990s, since this history continues to influence contemporary anxieties about social security.[3] We then look at the period from 1997 to the present, and in particular at contrasting developments in the 'incapacity' and 'disability' caseloads. We show that the idea that Labour failed to reduce the Incapacity Benefit (IB) caseload - a dominant theme in the party's post-election autopsy - is largely a myth, and is based on misconceptions about the geography, age and gender patterns of benefit receipt. In fact IB receipt fell substantially during this period, and fell most for age groups and areas with the highest levels of receipt. On the other hand disability benefit receipt rose during this period (albeit not as much as incapacity benefit receipt fell), partly because of demographic factors, but also because of increases in claims associated with mental health and learning difficulties. On the other hand there was no rise in disability benefit claims associated with physical conditions.

The key point here is that long-term out of work benefit receipt is increasingly

dominated by people living with more severe disabling conditions, and by people caring for the disabled. And neither the flaws of contemporary capitalism nor changes in social values have much of a role in explaining these trends or indicating promising policy directions.

'Incapacity and disability' benefits in the UK fall into two groups. The first group consists of income replacement benefits, whether contributions-based or income-based: Incapacity Benefit (IB), or, for those who do not meet the contributions conditions, income support for reason of sickness or disability. For new claimants, these benefits have been replaced since October 2008 with Employment Support Allowance (ESA), and existing IB claimants are currently being transferred to the new benefit. In most statistical discussion, those in receipt of any income replacement benefit for reasons of sickness or disability are classed together as 'IB/ESA' claimants. We depart from this practice to make a distinction within the IB/ESA caseload, based on whether or not someone is in receipt of Disability Living Allowance.[4]

Disability Living Allowance (hereafter DLA), introduced in 1992, is a non-means tested benefit for people with disabilities which lead to specific mobility and care requirements. Eligibility conditions and administration are completely separate from those for the income replacement benefits (although some DLA entitlements affect entitlements to these and other benefits). It is paid at a variety of rates depending on the nature of the claimant's impairments, and a large proportion of awards are 'indefinite', i.e. claimants' conditions are not expected to improve over time. DLA is *not* an out-of-work benefit, and about a fifth of working age DLA recipients are not receiving an income replacement benefit.

This article focuses on the differences in trends between those receiving IB/ESA and those who receive DLA, most of whom also receive IB/ESA, in order to give a rounded picture of trends in incapacity and disability benefit receipt.[5]

Thirty years of incapacity and disability benefits

The historical labour market data of the 1980s and early 1990s documents a period of labour market trauma. At the time attention was largely focused on the return of unemployment at levels that had not seen for generations, but for our purposes there is particular significance in the accompanying major build-up of economic

inactivity (i.e. those neither working nor looking for work) among people of working age, which was to prove one of the most persistent legacies of the Thatcher era. The scale and rapidity of the changes can be illustrated by the fact that activity for men in the 55-59 age band fell from 91 per cent in 1980 to 80 per cent by 1987, and to 74 per cent by 1994. These changes did not contribute to the unemployment figures, as these former workers were not actively seeking work: many either took early retirement or were diverted on to incapacity and disability benefits. By 1995, of the 424,000 men aged 55-59 in receipt of benefits, some 71 per cent were receiving a sickness or disability benefit.[6]

The experience of rapid falls in economic activity for older men was international, affecting most western economies in the 1980s. While the scale and timing varied from country to country, common factors included the felt need on the part of employers to shed less 'productive' workers in the face of increased international competition, and a tendency towards labour rationing on the part of governments committed to employment-constraining deflationary policies - if the economy could no longer provide full employment, better if the jobs went to those with young families to support.[7]

This logic did not always extend to female parents. The UK saw rapid increases in employment for women in couples during the 1980s, but for the growing number of female lone parents the experience was the opposite, with employment falling from 63 per cent in 1980 to 44 per cent by 1995: again, this represented a growth in inactivity rather than unemployment, and, as with older men, the benefit system played a role in diverting claimants into inactivity, as lone parents were placed on income support rather than unemployment-related benefits.[8]

By the late 1990s benefits caseloads were dominated by economic inactivity rather than unemployment, and of these incapacity benefit (2.6 million) and income support for lone parents (995,000) were the most important elements.[9] There were also major disparities in IB receipt between areas, reflecting the geographical pattern of deindustrialisation and the collapse of mining, and substantial gender differences, especially among older claimants. Thus in Wales and the North East, IB claims for men aged 55-59 were equivalent to some 29 per cent of the population by 1999, compared to a national average for men in this age band of 19 per cent and for women of 15 per cent. More than a million IB claims had been running for five years or more. This was, broadly, the situation that

Labour inherited in 1997.

So far we have followed the standard story on the rise in incapacity benefit receipt: however it is clear that there was more going on during this period than government exploitation of the benefits system to manage deindustrialisation and slack labour demand. It has long been recognised in the academic literature that the prevalence of disability, as measured by survey data, did in fact increase from the 1970s to the mid-1990s. Richard Berthoud found that the percentage of the population reporting a long-standing limiting illness rose from 14 per cent in 1975 to 18 per cent in 1995.[10] However, this rise in self-reported disability has often been interpreted, largely without evidence, as reflecting a greater willingness of people to define themselves as disabled, rather than any substantial change in the prevalence of disability within population: there was for a long time an informational vacuum due to lack of statistical evidence on the severity of disability among the growing self-reported disabled population. It was not until Berthoud's 2011 paper that evidence on disability trends at different levels of severity was brought into play; and this indicated that disability prevalence had risen at *all* levels of severity, and at a somewhat greater rate for the most severely impaired.

It now looks as if the rise in incapacity and disability benefit receipt up to the mid-1990s was underpinned by three broad processes, each with differing timings and tempos: there was a gradual rise in disability prevalence between the late 1970s and the mid 1990s; there was at the same time a steady deterioration of the employment chances of disabled people at all levels of severity; and there was a pronounced geographical variation in IB receipt, caused by the concentration in certain areas of the accumulated impacts of weak labour demand and deindustrialisation.[11] While it is likely that government policy played a role in making a worsening situation even worse, by diverting unemployed workers on to incapacity and disability benefits, there were clearly other factors at work in driving benefit caseloads to the high levels they had reached by the mid-1990s, and in maintaining these levels during Labour's period in office. However, by 1997 the assumption that the rise in incapacity and disability benefit receipt was entirely due to 'labour market' factors or 'welfare dependency' was thoroughly engrained. In 1999, Tony Blair roundly declared the IB was 'not a benefit which compensates those who have had to give up work because of long-term illness or sickness - it's an alternative to long-term unemployment or early retirement. That's why it must

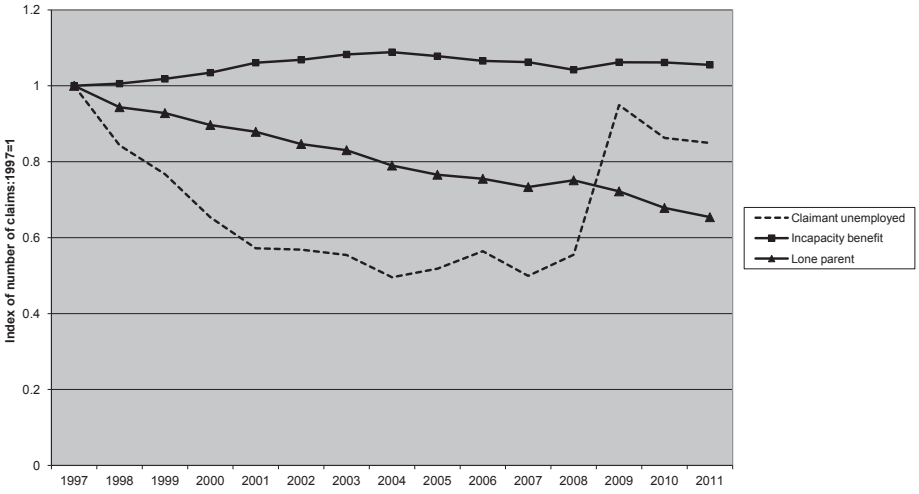
be reformed'.[12]

From 1997 to 2002, Labour oversaw what was arguably the most radical period of social security reform since the foundation of the welfare state, with the introduction of the minimum wage, an unprecedented expansion of in-work financial support, important steps towards integration of the tax and benefit system, the establishment of Sure Start (later, Children's Centres), the introduction of a range of 'New Deals' for different categories of benefit claimant and the adoption of the target of eliminating child poverty by 2020. Contrary to what seems to be widely believed, Labour also reformed Incapacity Benefit in 1999, tightening contributions conditions.

The chart below summarises developments for the two main 'inactive' groups inherited from the previous administrations over Labour's period in office. The contrast between lone parents and IB claimants could hardly be more striking - or, as we shall see later, more deceptive. On the face of it, lone parent benefit receipt reduced dramatically, while the IB caseload remained largely unchanged. This stability was to become the major premise of those arguing the need for 'radical' reform of IB, which became something of a totemic issue for Blair towards the end of his period as prime minister.

There is, it must be said, something rather implausible about this picture. Under Labour, unemployment fell to its lowest level for a generation, and the

Chart 1 Receipt of main out-of-work benefits 1997-2011 (1997=1)



combination of the minimum wage and tax credits should have improved the gains from working for the lower-skilled workers who dominated the IB caseload. That these changes should have had no effect whatsoever on IB receipt therefore strains credulity. And indeed, when we look at receipt by age, gender and geography, it becomes clear that IB receipt did fall, and it fell most where rates had been highest: in former industrial and mining areas, among older workers, and among men. A simple analysis of the caseload between 1999 and 2010 shows that falls in rates of receipt among men over this period equated to some 19 per cent of the 1999 caseload, but that this was offset by the effects of population ageing; these increased the total by the equivalent of 10 per cent, resulting in a net fall of only 9 per cent. Reductions in rates of receipt were concentrated in the North of England, Wales and Scotland, where rates had risen most during the 1980s and 1990s. Among women, whose rates of receipt were generally lower, there was a slight rise in overall receipt, and this was entirely explained by ageing. Unpicking these opposing influences shows that the immobility of the IB caseload was something of a myth. This becomes even more apparent when we look at compositional changes in the caseload in the next section.

An alternative perspective on benefit receipt

So far we have talked of 'incapacity and disability' benefits, ignoring the heterogeneity of situations that the benefits system needs to support. Many claimants experience relatively short-term episodes of work-limiting illness: others have severe conditions which will last for the rest of their lives; while yet others are in situations between the extremes of severity and duration. There is no single, objective methodology for partitioning the claimant population on criteria of severity and duration of conditions. However, we can exploit the fact that the UK has a separate and non-means tested benefit specifically for the more severely disabled to explore the composition of benefit caseloads.

To explain: many benefit claimants are in receipt of more than one benefit, and in order to avoid double counting of claimants, official data on benefit receipt from the Department of Work and Pensions and the Office for National Statistics conventionally groups claims for different combinations of benefits into statistical groups (jobseekers, lone parents, disabled, etc) according to a hierarchy in which

certain benefits and reasons for claiming take precedence over others in deciding which group a claimant will be allocated to. Importantly for our purposes, a DLA recipient who is in receipt of IB/ESA will be allocated to the 'ESA and incapacity benefits' group rather than to the 'disabled' group. The official 'disabled' statistical group includes only the (growing) minority of DLA recipients who are not receiving an income replacement benefit.

In this section we use an alternative grouping, in which DLA receipt takes precedence over IB/ESA receipt in allocating recipients to groups. In other words, we are more interested here in whether people are receiving DLA - an indicator of the severity of their impairment - than in whether or not they are receiving an income replacement benefit. The totals for incapacity and disability benefits (table 2, right hand column) confirm that our alternative grouping uses the same underlying data as the DWP groups and does not lead to double counting or undercounting of claimants.

This is not, it should be stressed, an attempt to distinguish 'disabled' from 'non-disabled' benefit recipients. In particular, it is not the case that DLA receipt marks out a group which is unable to work, because many DLA recipients are working, while not all work-limiting conditions will necessarily lead to DLA eligibility. Evidence on claim durations suggests that a substantial minority of IB recipients who are not receiving DLA have long-term conditions, but nevertheless IB recipients who are also receiving DLA are far more likely to be long-term claimants.

It is worth dwelling on this point, given that the pattern of claim duration for IB recipients is the subject of considerable confusion. Statements to the effect that the great majority of IB claims are long-term in duration are common, and are often used to suggest that IB has a quasi-magical power to induce long-term benefit dependency. In fact, the arithmetic of stocks and flows means that at any point in time, long-term claims (i.e. longer than five years) form a clear majority of the IB caseload. In the same way, a census of in-patients in a hospital ward would show a preponderance of older patients with longer lengths of stay. However, if we wanted to calculate the average length of stay for all in-patient admissions, we would not count patients at a single point in time, as this would give us an upwardly biased estimate: we would look at all admissions over an extended period. The same applies to benefit caseloads.

This point is illustrated in Table 1 below, using data from 2003-2008. The point-in-time estimate for 2008 shows that a majority (61 per cent) of IB claims in

Table 1 Distribution of incapacity benefit claims by claim duration (approximate)[14]

		<1 year	<2 years	<5 years	5 years +
All IB claims	2008	13.4	21.5	38.8	61.2
All IB claims	2003-2008	37.8	47.8	62.8	37.2
		<1 year	<2 years	<5 years	5 years +
All IB claims excluding DLA combinations	2008	23.7	35.3	56.2	43.8
All IB claims excluding DLA combinations	2003-2008	50.8	62.4	77.3	22.7
		<1 year	<2 years	<5 years	5 years +
IB/DLA combinations	2008	4.1	4.9	14.0	76.9
IB/DLA combinations	2003-2008	7.7	6.3	15.1	70.9

Source: DWP benefit flows tabulation tool (flows); WPLS (stock).[14]

payment had run for five years or more. Over five years, however, this percentage is 37 per cent. When we exclude claims which include DLA, the point-in-time share of long term cases falls to 44 per cent, while the five-year estimate is 23 per cent. This is a substantial minority of non-DLA IB claims, but it is clear that long-term claims for this group were the exception, not the rule, over this period. Half of claims ended within a year and 62 per cent within two years. For claims which include DLA, however, 71 per cent lasted five years or more.

This striking difference in the pattern of claim durations shows how important it is to take account of DLA in looking at trends in IB receipt. It is well known that the amount of time people spend on IB was a more important driver of growth in caseload numbers than any changes in the number of people coming on to IB. An increase in the share of DLA-entitled recipients of IB, other things being equal, implies an increase in the share of long-term claims, with a greater impact on overall caseload numbers over the longer term than an equivalent increase for other types of claimant, who are much more likely to leave the benefit within a relatively short period. Figures on long-term benefit receipt in particular should be contextualised in terms of DLA, to avoid the risk of misleading inferences - for example, that IB/ESA taken on its own tends to encourage long-term benefit receipt.[13]

Comparison with the DWP groups shows the point of our regrouping of the data (Table 2). Our 'disability' group based on DLA receipt is more than four times the size of the DWP 'disability' group in 2010, while our 'ESA/IB' group, which excludes DLA claimants, is just half the size of the DWP group. In 2010, our 'disability' group is considerably larger than our 'ESA/IB' group, while the DWP 'IB/ESA' statistical group is some six times the size of the corresponding disabled group. The alternative grouping brings out what is surely one of the more important aspects of contemporary benefit receipt: a clear majority of all incapacity and disability benefit recipients have conditions severe enough to entitle them to DLA - something which

Table 2 DWP and alternative groupings of incapacity and disability benefit claims

		Year	ESA and Incapacity Benefits	Disability	Total
DWP statistical groups		2002	2,765,220	256,230	3,021,450
Alternative grouping*		2002	1,601,280	1,420,190	3,021,470
DWP statistical groups		2010	2,576,240	398,880	2,975,120
Alternative grouping*		2010	1,279,450	1,695,700	2,975,150
DWP statistical groups	numerical change 2002-2010		-188,980	142,650	-46,330
Alternative grouping*	numerical change 2002-2010		-321,830	275,510	-46,320
DWP statistical groups	% change 2002-2010		-6.8	55.7	-1.5
Alternative grouping*	% change 2002-2010		-20.1	19.4	-1.5

Decomposition of change by age band 2002-2010

		ESA and Incapacity Benefits	Disability	Total
Alternative grouping	% change due to demography	5.2	6.6	11.8
	% change due to rate of receipt	-25.3	12.8	-12.5
	% change	-20.1	19.4	-0.7

** In the ‘alternative grouping’, ‘disability’ includes all receiving DLA, while ESA and IB excludes those in receipt of DLA; for the DWP, the ESA and IB group also includes those who also receive DLA, while its ‘disability’ group includes people in receipt solely of DLA.

Source: Work and Pensions Longitudinal Study

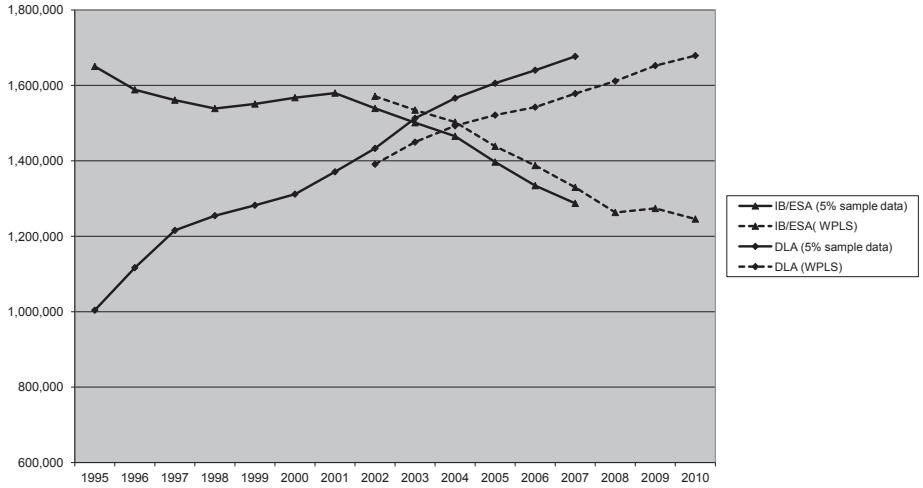
is obscured by the precedence given to IB/ESA receipt in the DWP’s grouping.

The alternative grouping also offers a different perspective on changes in benefit receipt over time. Both groupings show numerical falls in the ‘ESA/IB’ group and rises in the ‘disabled’ group between 2002 and 2010, but the scale of these changes is almost doubled in the alternative grouping.

The long-term development of the incapacity and disability caseload using our alternative grouping is shown in chart 2, which combines data from two DWP datasets covering different timeframes (as can be seen from the overlap between the two from 2002 to 2007, they give broadly consistent results). Disability benefit claims have risen more or less continuously since the introduction of DLA, and have exceeded IB-only claims since 2004. Note that these figures include people who are only receiving DLA, many of whom will be working: this group, while it forms a minority of DLA claims, has in fact shown by far the strongest growth since 2002. IB/ESA-only claims have been falling since 2002, but this then levelled out with the onset of recession. Some of these changes of course reflect transfers between the two groups, but in the absence of published longitudinal data tracking individual claimants over time, we are unable to quantify this.

We can however separate out the demographic component of these changes, as we did earlier for IB/ESA totals. In fact the 20.1 per cent fall in the IB/ESA-only caseload is composed of a 25 per cent reduction due to falling rates of receipt by age and gender, offset by a 5 per cent increase due to population changes. (For men the reduction by rates of receipt is some 31 per cent of the 2002 caseload, offset by a 7 per cent increase due to population. For women demographic change raised the caseload by 3 per cent while reduced receipt lowered it by 18 per cent.)

Chart 2 Incapacity and disability benefit receipt 1995-2010



Thus the IB/ESA grouping as a whole, which is on average less severely impaired than the group in receipt of DLA, has seen a quite dramatic numerical reduction since 2002, especially among men, but this has been partially offset by demographic change. This contrasts with the upward trend for the 'disabled group', where demographic change explains only about a third of the increase. However, among those who are in receipt of both DLA and IB/ESA, demographic change has increased numbers of recipients by 6.5 per cent, compared to 5 per cent due to rising rates of receipt. In other words, demography alone explains more than half the increase in out-of-work DLA claims.

How should these contrasting trends be interpreted? Just over half the fall in IB/ESA-only receipt among men is accounted for by those aged 55-64: the retirement or death of those workers who shouldered the burden of the massive employment dislocations of earlier decades may be an important part of the overall change, but it is still only a part. Strong labour market performance up to the recession, coupled with policy changes (tax credits, minimum wage), are likely to be the main factors: the expected effect would be that those with less severe conditions would return to employment more quickly in tighter labour markets, gradually bringing down caseload numbers.[15] For women, the fall in caseload is more evenly spread over the age range, suggesting that changes affecting specific cohorts are less important than

among men. Labour's third term reforms are not central to these changes, as most of the fall took place before 2008.

As we have seen, more than half the rise in out-of-work DLA receipt is explained simply by demographic change: for those receiving DLA alone this explains only about 14 per cent. The extent to which we should see the remainder of the increase in DLA as an indication of a wider prevalence of disability - as an effect of the maturing of the DLA system (i.e. people being more likely to claim) or as a side effect of policies of deinstitutionalisation - remains an open question. Two things are clear, however. The rises in DLA receipt over this period are not due to increased flows of claimants on to the benefit (these have fallen), but to the gradual build-up of claims of long duration.[16] And once we adjust for demographic change, there has been no increase in DLA receipt associated with physical conditions: the diagnostic groups which account for the increase are learning difficulties and mental health.[17] Any explanation of the rise in DLA is therefore likely to turn on changes in the way people with mental health problems and learning difficulties are supported, rather than on some general factor such as 'welfare dependency' or 'hidden unemployment'.

Conclusion

Bringing demographic change and severity of impairment into the picture in this way raises obvious questions about the aggressive benefit caseload reduction aims adopted by both the current and previous governments ('a million off IB'). If the IB/ESA-only group has already fallen by a quarter (controlling for demography), and by nearly a third among men, one has to ask how much further this part of the caseload can be expected to be reduced if the system is to continue to provide social protection for those experiencing short and medium term incapacity for work. Changes to work incentives through tried and tested welfare reform interventions are likely to yield diminishing returns given the current composition of the caseload, which reflects in part the success of previous social security reform. Rather, the focus needs to be on a realistic assessment of employment chances for people with more severe conditions, and long-term effort to improve these chances, involving all relevant policy instruments. The current moralising and grievance-laden discourse of welfare is a formidable barrier to any such positive developments.

This article has tried to give a sense of the out-of-work benefit system we have as opposed to the largely symbolic construction which dominates current debate. This is a system which is primarily engaged in dealing with spells of work-limiting illness and unemployment, and with longer term periods of severe disability and caring responsibilities. While it is far from perfect, this system is unrecognisable as the 'road to dependency' of left and right welfare reform rhetoric; and, for the time being at least, it is in much better condition than it was in the aftermath of the deindustrialisation waves of the 1980s and early 1990s.

Notes

1. For a rigorous account exposing the lack of realism in claims that there are significant numbers of 'intergenerationally workless' families see L. Macmillan, 'Measuring the intergenerational correlation of worklessness', *CMPO Bulletin*, University of Bristol, September 2011; see also D. Gaffney, 'The myth of the intergenerational workless household', *Left Foot Forward*, 21.9.10: www.leftfootforward.org/2010/09/the-myth-of-the-intergenerational-workless-household/.

2. www.guardian.co.uk/commentisfree/2010/oct/10/fair-society-cameron-osborne.

3. We follow Ruth Lister in eschewing the term 'welfare', and for the same reasons. See her 'Our social security system must guarantee real welfare' *Guardian*, Comment is Free, 28.8.11: www.guardian.co.uk/commentisfree/2011/aug/28/robin-hood-poor-welfare.

4. Severe Disablement Allowance, an income replacement benefit for disabled people, was closed to new claimants in 2000. Our figures for both 'sickness' and 'disability' benefits include SDA claims. SDA claims are allocated to the 'disabled' group when combined with DLA.

5. Consistent data on DLA is generally only available from 2002 on, although we have devised a broadly consistent time series back to 1995. Much of the analysis therefore focuses on the period 2002-2010, which by coincidence saw major changes in incapacity and disability benefit caseloads.

6. DWP benefits 5 per cent sample data.

7. See European Commission, *Study of compilation of disability statistical data from the administrative registers of member states*, 2007, esp. p.17, p.25; see also I. Mares, 'Firms and the welfare state: when, why and how does social policy matter to employers?', in Hall and Soskice (eds.), *Varieties of capitalism*, Oxford 2001; and T. Iversen, *Capitalism, democracy and welfare*, Cambridge 2005.

8. Data on lone parent employment from R. Blundell, A. Bozio and G. Laroque, *Extensive and intensive margins of labour supply: working hours in the US, UK and France*, Institute for Fiscal Studies Working Paper, 01.11; male economic activity figures from International Labour Organisation, *Economically Active Population Estimates and Projections* (EAPEP) dataset.

9. Data for third quarter 1999 from Work and Pensions Longitudinal Study.

10. R. Berthoud, *The employment rates of disabled people*, DWP Research report No 298, 2006.

11. I am grateful to Ben Baumberg for advice on interpreting disability trends. Responsibility for the interpretation offered here rests with the author of course.

12. S. Griffiths, 'The misuse of evidence in incapacity benefit reform', in *Soundings* 47: www.lwbooks.co.uk/journals/soundings/articles/s47griffiths.pdf.

13. The hypothesised causal process here runs from underlying conditions to work-limiting impairment to long-term non-employment and therefore long-term IB receipt combined with DLA. In the alternative hypothesis, put forward by Beatty, Fothergill and Platts-Fowler (*DLA claimants: a new assessment*, DWP Research report no. 585, 2009) the process runs from long-term IB receipt to eventual DLA claims 'as further source of financial support': in other words, whatever drives IB-only receipt (primarily labour market factors, on this account) also drives IB/DLA receipt; and DLA is essentially an 'adjunct' to IB. Given the quite different eligibility conditions for DLA compared to IB, and the evidence on the differences between the IB/ESA-only and DLA caseloads, we think that much stronger evidence than has been offered thus far would be needed to displace the naive reading that care and mobility needs are the dominant explanatory factors for DLA receipt.

14. 'Claims' are calculated as the sum of off-flows over the period by duration

and benefit combination at off-flow, and the stock of claims (by duration and combination) at the end of the period. Percentages should be taken as illustrative only. To avoid spurious precision, rather than summing quarterly flows over the entire period we have simply multiplied the 2007-8 flows by five. Note that the benefit combinations are recorded at the point of off-flow or the end of the period: claimants will not necessarily have been on these particular combinations throughout the claim duration. Because these figures relate to the period 2003-2008, they are not affected by Labour's third term reforms to Incapacity Benefit. Flows data for DLA-only claims (the remainder of our 'disability' group absent from these figures) are not published.

15. For a similar interpretation of the overall fall in IB/ESA see D. McVicar, 'Local level incapacity benefit rolls in Britain: correlates and convergences', Queen's University School of Management, working paper, December 2009.

16. See D. Gaffney, 'The "inexplicable" rise of Disability Allowance explained', *Left Foot Forward*, 14.2.11: www.leftfootforward.org/2011/02/rise-in-disability-living-allowance-explained/.

17. See D. Gaffney, 'Clause 52 of the Welfare Reform Bill' (September 2011): http://lartsocial.org/pdf/Clause52oftheWelfareReformBill.pdf.