

concentrated within families (Payne, 1987) this will have implications for many unemployed parents.

One of the significant changes for young people is the abolition in 1983 of the SB allowance to non-householders for contributions towards the expenses of the householder (Cusack and Roll, 1985) which, in some ways, presages the abolition of the household rate for the single under 25's. Another focus of concern has been the non-dependant deductions, discussed earlier. In consequence of the abolition of fixed housing cost additions to SB for non-householders aged under 21, the deduction was set at zero for this group and extended to the under 25's on SB or YTS from 1986. This raises questions about the effect on young people's incentive to work where their parents are unemployed. Parental loss of benefit as a result of young people's employment could discourage young people from accepting or continuing in employment where the non-dependant deduction is disproportionate to their wage. Also, as stated earlier, it is an arrangement which provides ample scope for dissension within families.

Other changes for young people have included the restriction of the school leaver's entitlement to benefit until September for post-Easter leavers (1980), and the complete abolition of entitlement to IS for the majority of the 16-18 population (1988). This in effect made training schemes compulsory and meant that up to 30,000 young people studying part-time under the 21 hour rule would no longer qualify for benefit (Harris, 1988:505). The failure of the 1986 reform to attempt any integration of training, education and benefit eligibility for the young is another example of the limited focus of the review (see Brown, 1988; SSAC, 1988).

Though much of the recent legislation has been concerned with the protection of the work incentive, the low disregard allowed for short-term unemployed claimants is arguably a disincentive. Although the amount was increased from £4 to £5, by including work expenses the real value of the disregard has arguably fallen. For couples unemployed two years or more, however, the £15 joint disregard, effective since April 1988, could begin to ease the gap between the two-earner/no-earner polarisation documented by a number of writers (Pahl, 1984; Morris, 1987b). More generally, it seems that until high take-up of FC has been achieved and the more extreme cases of the unemployment and poverty traps have been eliminated, the question of incentives will continue to arise. As we have seen, a number of commentaries argue that the most effective answer is to provide increased minimum wages. In many respects the 1986 Act maintains continuity with earlier provision with its preponderant emphasis on means-tested benefit. Despite this, the reform has systematically failed to address the issue of needs and to monitor the consequences of changes in provision for different sections of the unemployed.

CHAPTER 4

FACTS AND FIGURES

It has become clear from the preceding chapters that any assessment of provision for unemployment must take account of prevailing labour market conditions. Levels and durations of unemployment will radically affect the viability of any given system of social insurance or assistance. Thus, we saw that high levels of unemployment in the 1920s undermined the insurance principle upon which provision for the unemployed was to have been based. More recently, in the early eighties, we saw a growing dependence on means-tested SB as duration of unemployment lengthened beyond the 12 month period catered for by UB. These simple illustrations serve to indicate the importance of accurate information about the incidence and distribution of unemployment over substantial time periods. The collection and application of such information has, however, been problematic.

A basic difficulty in the collection of data about unemployment is the very definition of the concept. Marsh (1988) usefully reviews the issues. The unemployed are not just people without work, but people who would participate in the formal sector of the economy if employment was available. They are therefore to be distinguished from the economically inactive. Marsh identifies two approaches to identifying the unemployed; the institutional approach which counts the number of people officially recognised by the social security system as being unemployed, and the survey approach, which attempts to establish in an interview if a person would accept employment should it be offered. We should note, however, that whatever method is applied the count will only be a statement of those currently experiencing unemployment. For an indication of how many have recently been affected one would need to examine movement on and off the register, and in fact a monthly count may remain relatively stable whilst accommodating large scale movement into and out of unemployment, as, for example, during 1986 when the median monthly change was around 50,000 and typically 400,000 people entered or left the claimant count each month (Marsh, 1988:350).

Consistency

Whilst there will always be uncertainty at the boundaries of unemployment because of the problems of establishing a clear definition, in terms of social policy and planning consistency is crucial. Only with a consistently applied definition can trends be accurately reported and projected, and as we noted above, this is important for both the design and evaluation of any system of provision for the unemployed. Until October 1982 unemployment statistics in Britain reflected the number of people registered as seeking work. The motivation for registering was either to try to find work, or to claim unemployment benefit, or both. When registration for claimants was made voluntary, however, the basis of the statistics changed to those receiving benefit, i.e. to a claimant count. This necessarily excludes many of the unemployed who have no eligibility for benefit but who are without work and would accept employment if it became available. Whilst the count would include people not receiving benefit but signing for an award of credits, this facility is very much underexploited.

Marsh states:

'After over thirty years of relative stability in the method of counting the unemployed nineteen changes were made between the summer of 1979 and the winter of 1986....almost all of which, critics claim, kept the monthly official count down' (p.345)

The content and effect of these changes have been tabulated by the Unemployment Unit (UU 1986), and are reproduced on the following pages, together with an additional five changes from October 1986 to June 1988. In May 1986, when the official count was 3,271,000 the UU index stood at 3,716,000. Similarly, the official unemployment figure for August 1989 stood at 1,741,100 whilst the UU index gave a figure of 2,573,400.