

Claimants to Unemployment Benefit in Great Britain

In the course of 1924 the British Ministry of Labour published a report¹ on an investigation into the personal circumstances and industrial history of 10,000 claimants to unemployment benefit. A second report² of a similar character has recently been published, covering 10,903 claimants to benefit and based on an enquiry made in November 1924, i. e. twelve months after the first enquiry. This report is presented in the same form as the earlier one and so permits of valuable comparisons.

It is emphasised at the outset that the enquiry relates strictly to claimants to unemployment benefit. Since disqualification for benefit, exhaustion of benefit, etc. varies in each instance according to age and personal circumstances, caution should be observed in drawing conclusions from the results of the analysis as to the composition of "the unemployed".

DEGREE OF EMPLOYABILITY

One of the main purposes of the investigation was to determine the "degree of employability" of the claimants to insurance benefit. For this purpose the employment exchange managers or their deputies who personally interviewed the claimants were asked to place each person in one of several specified categories of "employability". The four most important of these categories were lettered and defined as follows :

- A. Persons who, in normal times, would usually be in steady employment.
- B. Persons who, though not usually in steady employment, would, in normal times, obtain a fair amount of employment.
- C. Persons who would not in normal times obtain a fair amount of employment, but who were not considered to be "verging on the unemployed".
- D. Persons who were considered to be "verging on the unemployed".

Analysis of the schedules shows that, in the opinion of interviewing officers, 62.7 per cent. of all the males interviewed, and 77.2 per cent. of all the females, were persons who in normal times would usually

¹ Cf. *International Labour Review*, Vol. X, No. 2, Aug. 1924, pp. 296-298.

² GREAT BRITAIN. MINISTRY OF LABOUR : *Report on an Investigation into the Personal Circumstances and Industrial History of 10,903 Claimants to Unemployment Benefit*. London, H.M. Stationery Office, 1925. 127 pp. 4s.

be in steady employment; while only 3.6 per cent. of the males and 1.4 per cent. of the females were regarded as "verging on the unemployable". Categories A and B taken together (persons who in normal times would be either steadily or at least fairly well employed) account for 86.1 per cent. of the males and 90.2 per cent. of the females.

The analysis shows that the group of men and women considered to be "verging on the unemployable" is in great part made up of elderly or aged persons. Over two-thirds of the men placed in this category and nearly one-half of the women were aged 60 years or over. It is also remarked that a heavy proportion of those classed as "verging on the unemployable" suffered from poor physique, poor health, or some manifest physical defect.

It should be observed that the men and women placed in category D are not "unemployable" but "verging on the unemployable". If they were unemployable they would be precluded by the provisions of the Act from receiving benefit. That they are not "unemployable" in the strict sense of the word is borne out by an examination of their employment records, which show that they have had, as a class, a fair amount of recent employment, though less employment, either absolutely or in relation to benefit drawn, than any of the other classes.

From the foregoing evidence it would seem that the burden of unemployment is falling for the most part on persons who are accustomed, when the economic situation permits, to follow regular occupations, and that their present misfortune must be attributed, not to personal incapacity or neglect, but primarily to general industrial conditions beyond their control. The figures showing 3.6 per cent. of the males and 1.4 per cent. of the females as "verging on the unemployable" may be compared with the corresponding figures in the previous report—3.6 and 2.0.

PHYSIQUE AND HEALTH

The interviewing officers recorded in each case their impression of the claimant's physique and apparent health as good, fair, or poor. The percentage distribution resulting from this classification is given below, together with the corresponding figures from the previous report.

PERCENTAGE DISTRIBUTION OF CLAIMANTS, BY PHYSIQUE AND HEALTH

Condition	Males		Females	
	1925	1924	1925	1924
Physique				
Good	67.8	67.5	73.5	74.0
Fair	28.1	27.9	24.2	23.1
Poor	4.1	4.6	2.3	2.9
Health				
Good	76.1	76.0	81.2	81.6
Fair	20.3	20.3	16.7	16.0
Poor	3.6	3.7	2.1	2.4

These figures give further support to the belief that the present situation owes its origin to general and industrial causes and not to the defective physique or unemployability of the workers. They are evidence, moreover, that the measures of insurance and relief adopted in Great Britain are effective in preventing a decline in the health of the British working force, and thus provide a powerful justification for the system applied.

Interviewing officers were asked to state whether the person interviewed had any apparent physical defect, and, if so, to state its nature. The report states that 81.0 per cent. of the males and 87.9 per cent. of the females were classed as having no apparent physical defect. These figures may be compared with those of the previous year, which give 78.2 per cent. of the males and 87.6 per cent. of the females without apparent physical defect.

NUMBER OF DEPENDANTS

Questions were asked of claimants interviewed as to the number of persons dependent upon them. A distinction was made between adults and children, also between those dependants covered by dependants' benefit under the Unemployment Insurance Acts and those not so covered. The records of persons dependent on claimants, whether covered by dependants' benefit or not, show that of the male claimants interviewed 44.7 per cent. were stated to have no one dependent on them and 55.3 per cent. to have dependants, either adults or children or both. The average number of dependants per male claimant with dependants was 2.6. Of the female claimants interviewed 89.4 per cent. were stated to have no one dependent on them, and 10.6 per cent. to have dependants; here the average number of dependants was 1.5 per claimant.

The close uniformity of the results yielded by the two enquiries made at twelve months' interval provides the strongest justification of the statistical method followed and shows the representative character of the samples taken.

GENERAL EFFECTS OF THE SYSTEM

Shortly after the issue of this official report the results of a private investigation into the working of the Unemployment Insurance Act were also published¹. The authors of *The Third Winter of Unemployment*, previously noted in the *Review*², this year set on foot an enquiry in eight areas with the object of (1) ascertaining the effects of the unemployment insurance scheme on the persons involved in it; (2) studying the machinery of the scheme itself.

The areas investigated were very varied in character: Shoreditch,

¹ *Unemployment Insurance in Great Britain: A Critical Examination*, by the authors of *The Third Winter of Unemployment* and *Is Unemployment Inevitable?* London, MacMillan, 1925. 68 pp. 1s.

² *International Labour Review*, Vol. VII, No. 6, June 1923, p. 902.

a working-class district of London; Glasgow and the Tyneside, ship-building and engineering districts heavily hit by the depression; Bolton, a cotton town; Leeds, Birmingham, Cardiff, and Reading, industrial towns of very different types. The results of the enquiry, as the authors state, did not afford a sufficient basis for sweeping conclusions, but the reports from the different areas reveal a certain similarity of experience, though each has its special problems.

Local investigators were asked first to ascertain if the system of unemployment insurance had diminished the normal incentives to find work. The general conclusion is that, in spite of vague allegations to the contrary, the vast majority of claimants to benefit prefer work and wages to idleness and the "dole", though there is of course the small residue of loafers, as there always was before the introduction of any insurance scheme. The worker's willingness to change his locality or occupation in order to secure employment was found to be affected less by questions of benefit (which may be made dependent on such willingness) than by such difficulties as housing, loss of trade skill, etc. There is, however, some migration from place to place — and even more emigration abroad — while it was frequently found that many highly skilled workers are accepting labouring and similar unskilled jobs rather than remain on benefit.

The effect of the system on casual labour was also investigated, but the evidence was conflicting. Sometimes it appeared that workers would refuse a few days' work in order to avoid losing benefit, but more frequently they were anxious to get work of any kind in an insured trade in order to increase the number of their contributions and thereby their subsequent claim to benefit. It was found that as a rule the prospect of unemployment benefit in no way slackened the worker's desire to retain his job, except perhaps in the case of youths earning low wages who would be entitled to the higher adult rate of benefit.

The second main object of the enquiry was to survey the general working of the insurance system. It is stated that as a whole the employment exchanges and committees do their work efficiently enough to check any possibility of substantial or widespread abuse, but certain weaknesses in the insurance scheme itself are indicated.

The first problem mentioned is that of youths from 18 to the early twenties. There seems to be a tendency among employers to engage juvenile workers (from 14 to 17) and when they reach the age for adult wages to discharge them and engage new juvenile workers at the lower rate. At the age of 18, too, the young worker becomes entitled to the adult rate of unemployment benefit, which may be higher than the wages he could earn. It is suggested that the rate of benefit for young persons should be graded upwards from the ages of 14 to 18, instead of jumping, as it now does, at 18 from 7s. 6d. to 18s. a week.

Married women claiming benefit present another problem. Having been insured and having paid contributions they are to that extent entitled to benefit. But it is very difficult to ascertain whether they really need paid employment and therefore, failing work, unemployment benefit.

Elderly and infirm persons are in a specially difficult position.

Their chances of employment, especially in times of depression, are always very slight, and their claim to extended benefit under the existing scheme can hardly be substantiated, though their willingness to work can rarely be disputed.

Stress is laid in the report on the distinction between insurance benefit and poor law relief — a distinction too often overlooked. It is urged that it should be further emphasised in administration, but that at the same time the two systems should be more fully co-ordinated in order to prevent unnecessary hardship or overlapping.

Factory Inspection in Great Britain in 1924¹

British trade conditions in 1924 are described by the Chief Inspector as being bad on the whole, though some industries were prosperous and others were at least somewhat better than in 1923. The textile trades (except fine cotton spinning) and the iron and steel trades (except the South Wales tinplate trade) were very much depressed, but certain branches of engineering (especially those connected with electricity), the building and furnishing trades, and fish curing were decidedly busy. The generation and use of electricity continued to increase, and there were important developments in the chemical, paper, rubber, and other industries (pp. 3-7).

As in the previous year, the authorised staff of inspectors and assistants numbered 205 (p. 149), but at the end of the year five of these posts were vacant, making the total staff less by three than in 1923 (p. 7). No new legislation affecting the work of the inspectorate was passed during the year, except an Order² making certain additions to the list of notifiable occupational diseases, which did not come into operation until 1 February 1925. The Workmen's Compensation Act, 1923³, however, came into operation at the beginning of the year, introducing new rules concerning accident notices and registers, and extending the requirement of provision for first aid to many additional establishments (p. 7).

STATISTICS

The decline in the number of small workshops, especially dress-making and millinery establishments, and the transference of undertakings from the workshop to the factory class on the introduction of

¹ GREAT BRITAIN, HOME OFFICE: *Annual Report of the Chief Inspector of Factories and Workshops for the Year 1924*. Cmd. 2437. London, H.M. Stationery Office, 1925. 145 pp. 2s. 6d.

² Statutory Rules and Orders, 1924, No. 1505, dated 31 December, 1924. Reprinted in INTERNATIONAL LABOUR OFFICE: *Legislative Series*, 1924, G.B. 9.

³ *Legislative Series*, 1923, G.B. 2.