The Impact of War on Long-Term Unemployment in Great Britain

Before the outbreak of war, Great Britain had been faced for so many years with the problem of hard-core unemployment that a standing army of long-term unemployed, numbering at times more than half a million, began to be widely accepted as a characteristic feature of the British economy. Preparations for war and war itself brought little change at first in the general unemployment situation. For eight months the level of unemployment remained high. At the same time, however, the proportion of long-term unemployment to total unemployment declined. In the months following May 1940, as economic activity quickened, the hard core began to dissolve more rapidly. By late September 1940, the Minister of Labour and National Service was able to announce that it had been reduced to well below the 100,000-mark. By the summer of 1941, still further progress had been recorded; the hard core had fallen below the 50,000-mark, and was continuing to decline. The problem of long-term unemployment has thus been banished at last from the foreground of the national employment market—perhaps "once and for all", as the Minister of Labour has forecast.[1]

In any case, one important conclusion can be drawn from the past, namely, that "unemployability" has not been an objective concept: its definition has varied with economic circumstances. The absorption of long-term unemployment has depended primarily on the extent and character of available employment openings. In the depth of depression, the hard core was at its worst. As the economic situation improved, the core became smaller—with some lag of course, but with far less than might have been expected. A man considered unemployable in 1933 might well have found himself sought after in the summer of 1939. War experience has still further narrowed the limits of unemployability: it has been demonstrated, according to the Minister of Labour, that unemployables are non-existent unless they are really physically or mentally incapable of work of any kind.[2]

[1] Speech of the Minister of Labour and National Service to the Works Management Association, 18 Sept. 1940 (*The Ministry of Labour Gazette*, Oct. 1940, p. 261).

[2] Speech of the Minister of Labour at the Institution of Production Engineers, London, 26 Sept. 1941 (reprint).

LONG-TERM UNEMPLOYMENT BEFORE THE WAR

The roots of the problem of hard-core unemployment lie deep within the structure of the economy of Great Britain. Ever since the war of 1914-1918, relatively extensive unemployment has persisted, sapping the energy and the resources of a large part of the population and inflicting constant insecurity and poverty on hundreds of thousands of workers and their families.[1] At first, the high level of unemployment after the last war was regarded as an unfortunate but inevitable consequence of the temporary after-effects of war itself. It was not until the year 1927 that a note of concern crept into the annual report of the Ministry of Labour, which pointed out:

> In several respects . . . the year 1927 may be regarded industrially as that which has made the nearest approach to normal since the war. There is some ground for thinking that the problems of employment and unemployment which have revealed themselves during the year ought to be considered, not merely as residual difficulties of the war period, but as the problems of a new industrial and commercial era.[2]

One of the central features of the post-war unemployment problem was its concentration in relatively few industries (engineering, shipbuilding, mining, and the textile industries); and as the Industrial Transference Board emphasised in its report in 1928: "The outstanding feature of unemployment in the heavy industries is that it is frozen by its close concentration in or about the coalfields in areas of comparatively small extent".[3] Chronic unemployment in the depressed areas, the Board stated, "lies like a cloud over the whole industrial horizon and lowers over all industrial discussions".[4] Moreover, as Sir William Beveridge pointed out in "An Analysis of Unemployment"[5]:

> All other industries are affected to some extent by the depression of the declining industries—have more unemployment than they would have if the old stable industries were not in process of contraction and more than they may expect when the contraction is completed. Contagion spreads from the depressed industries in two ways. On the one hand, labour extruded from the depressed industries has tended to overflow in all directions and not only into the special industries included in Group III (distribution, road transport, entertainment, hotels, etc.). On the other hand, there are laundries, garages and printing establishments, as there are shops and hotels in the depressed areas, serving the needs of those areas exclusively or chiefly and involved in their misfortunes.

There was, thus, a tendency for "depression to breed depression"

[1] Only once between 1921 and 1939 did the percentage of unemployment of the insured population fall below 10; the exception was in 1927.

[2] *Report of the Ministry of Labour for the year 1927* (Cmd. 3090, London, 1928), pp. 13-14. The Report went on to note that an appreciable number of workers who were wholly unemployed in the coalfields, in the cotton industry, in iron and steel, and in shipbuilding were unlikely to find employment in their own industry and district and must therefore seek an outlet in other employment in other areas.

[3] *Report of the Industrial Transference Board* (Cmd. 3156, London, 1928), p. 15. The Board was set up in 1927 "for the purpose of facilitating the transfer of workers, and in particular of miners, for whom opportunities of employment in their own district or occupation are no longer available".

[4] *Ibid.*, pp. 28-29.

[5] *Economica*, Nov. 1936, p. 376.

and for the nucleus of hard-core unemployment to accumulate additional unemployment around it.[1]

One of the first indications of the extent of the problem of long-term unemployment was provided by the Ministry of Labour for the Royal Commission on Unemployment Insurance. Basing its conclusions on information covering the seven years ended in 1930, the Ministry reported that: "More or less continuous unemployment is confined to a very small section of the insured population which cannot include more than about 100,000 men and 3,000 women. This group represents the maximum size of the 'standing army' of the unemployed."[2]

At the same time as efforts were being made to fathom the character and extent of the unemployment problem, the physical and moral consequences of long-term unemployment were becoming apparent, "mainly through the extent to which transferred men were failing to retain their jobs". A special analysis of unemployed workers (aged 18 to 45) in depressed mining areas, carried out in 1929, showed that nearly 25 per cent. of the total number examined were in need of physical and general rehabilitation before they could be expected to find their way back successfully into regular work of any kind.[3]

In 1930, "outstandingly bad from the point of view of employment", there was a general thrust of unemployment throughout the country; and in a number of areas additional to the scheduled depressed areas, "the unemployment situation became such that a definite surplus of workpeople appeared likely to remain even after a general revival in the trade of the country".[4] In 1931, the depression deepened. The problem of long-term unemployment grew in proportion to the decrease in employment opportunities.[5] A sample enquiry of claimants for unemployment insurance benefits carried out in February 1931 showed that one of every four of the men and one of every five of the women were considered to be unsuitable, for one reason or another, for submission to employment. In summarising the evidence regarding the composition and employability of the unemployed population, the Royal Commission on Unemployment Insurance stated in its Final Report (published in 1932):

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[1] See, in this connection, the arguments put forward by Prof. J. H. JONES, Mr. George THOMSON, and Sir William WHYTE: "Notes of Reservation", in *Report of the Royal Commission on the Distribution of the Industrial Population* (Cmd. 6153, London, 1940).

[2] *Appendices to Minutes of Evidence before the Royal Commission on Unemployment Insurance*, Part V, p. 245, para. 29(5). During 1929, two sample enquiries were made to show the duration of individual unemployment; the results are given in *The Ministry of Labour Gazette*, Jan. 1930, pp. 7-8.

[3] *Report of the Ministry of Labour for the year 1929* (Cmd. 3579, London, 1930), p. 17. This analysis left out of account men over 45 years of age, whose unemployment constituted a still more difficult problem.

[4] *Report of the Ministry of Labour for the year 1930* (Cmd. 3859, London, 1931), pp. 7 and 19.

[5] Analyses giving the duration of unemployment for applicants for benefit or allowance were begun in January 1932 and continued at regular monthly intervals until the outbreak of war; the results were published regularly in *The Ministry of Labour Gazette*. Details as to the duration of unemployment are not available in respect of persons registered as unemployed who are not claimants for benefit or allowance.

It must not be thought that the large number of persons considered "unsuitable" for submission to an employer were "unemployable". What the figures point to is that additional industrial training in the case of about 120,000 would have improved the chances of employment; that age was the real handicap in the case of 140,000 men and other physical disabilities in the case of a rather larger number; and that 63,000 men and 17,000 women had very little chance of ever recovering employment.[1]

Significantly enough, about two-thirds of the personally handicapped workers belonged to industries of exceptional unemployment.

The depression which began in 1929 reached its peak in August 1932. In that month the percentage of the insured population unemployed in Great Britain was as high as 22.9 per cent., and 2,866,000 insured persons were on the registers of the employment exchanges. By the end of the year, the total number of applicants registered for benefit or allowance who had been unemployed for 12 months or more totalled over 461,000. By May 1933, the number unemployed for a year or more had risen to 483,000—the highest figure which has been recorded up to the present time, and the long-unemployed constituted 21 per cent. of the total number of unemployed applicants for benefit or allowance.

The increase in long-term unemployment which accompanied the great depression affected the depressed areas with special severity. By July 1935, the proportion of long-unemployed men in the designated "special areas" of England and Wales was three and one-half times as high as in the rest of the country. Not only was the total number of persons unemployed for 12 months or more at a constant high level in the depressed areas, but there was also a high percentage of persons unemployed for three years or more: in July 1935, of the 226,000 male applicants for benefit or allowance in the special areas of England and Wales, 58,600 or 26 per cent. had been continuously unemployed for three or more years.[2]

In the country as a whole, the gradual improvement in employment between 1935 and 1938 had a distinct influence on the absorption of long-term unemployment. By October 1938, the total number of persons who had been jobless for 12 months or more had fallen from the high level of 483,000 in May 1933 to 275,000—a reduction of 208,000 or about 43 per cent. Largely because of the character of the recovery movement, the actual percentage rate of fall in the number of persons unemployed for three years or more was over twice as high in the special areas (43.2 per cent.) as in the rest of the country (20.6 per cent.), but the relative concentration of long-term unemployment in those areas remained about three and one-half times as high as in the remainder of the country.[3] Towards the end of 1938, the trade recession set in, decreasing employment and job opportunities

[1] ROYAL COMMISSION ON UNEMPLOYMENT INSURANCE: *Final Report* (Cmd. 4185, London, 1932), p. 85.

[2] *Second Report of the Commissioner for the Special Areas (England and Wales)* (Cmd. 5090, London, 1936), Appendix II.

[3] *Report of the Commissioner for the Special Areas in England and Wales for the year ended 30 September 1938* (Cmd. 5896, London, 1938), pp. 20-21.

—a trend which continued into the first month of 1939. Preparations for war began gradually to be reflected in the employment statistics, however, and the employment improvement which began late in February 1939 persisted until the outbreak of war brought employment dislocations of a different character.

By August 1939, the number of workers employed was the highest ever recorded, and, at the same time, the percentage of the insured population unemployed (8.3) was the lowest recorded since 1927. The number of men unemployed for a year or more had fallen from February 1939 on, but until August 1939, long-term unemployment had declined at a slower rate than had the total number of persons on the registers of the employment exchanges.

TABLE I. THE COURSE OF LONG-TERM UNEMPLOYMENT IN GREAT BRITAIN IN RELATION TO TOTAL UNEMPLOYMENT, 1932-1939

Date	Total number of registered applicants	Total number of applicants unemployed for 12 months or more
Jan. 1932	2,446,400	337,500
Dec. 1932	2,415,100	461,700
May 1933	2,266,300	483,000
Dec. 1933	1,940,900	451,700
May 1934	1,788,100	416,800
Dec. 1934	1,781,200	383,800
May 1935	1,728,500	387,800
Dec. 1935	1,589,000	376,800
May 1936	1,436,100	351,000
Dec. 1936	1,400,200	313,900
May 1937	1,315,600	313,600
Dec. 1937	1,548,700	278,900
May 1938	1,637,300	278,800
Dec. 1938	1,695,100	281,200
Feb. 1939	1,740,900	289,700
May 1939	1,354,800	274,800
Aug. 1939	1,102,400	244,500

Source: *The Ministry of Labour Gazette.*

Even so, however, Great Britain entered the war with a total reserve of 1,102,415 persons registered as unemployed, only 643,320 of whom had been jobless for less than three months. As many as 244,513 of the total registered unemployed had been unemployed for 12 months or more; of these 109,304 had been on the registers for three years or more, 47,780 for two years but not less than three, and 87,429 for more than one year but less than two years. Long-unemployed men constituted 25.8 per cent. of the adult male registrants, and long-unemployed women made up 9.8 per cent. of the adult women registrants. These figures alone do not reveal the full gravity of the problem of long-term unemployment at the time of the outbreak of war, because, in calculating the duration

of unemployment, any period of work lasting three days or more is classified as a break in continuous unemployment. If, for example, a man had been unemployed for over two years and then obtained a temporary job during a busy season (such as a 10-day job at Christmas time), he would re-enter the statistics as just beginning a period of unemployment. The unemployment statistics therefore have a distinct tendency to underestimate long-term unemployment.

Thus, in the years preceding the outbreak of war, Great Britain had a hard core of unemployment made up of anywhere between 250,000 to 500,000 persons whose lack of employment was chronic or prolonged. It was this great mass of unemployment, known as hard-core because the possibilities of its absorption into ordinary industrial activity were so limited, which constituted the standing army within the total number of unemployed in the country. It was not always made up of the same individuals, of course—there was continuous turnover within the hard core; but it was sufficiently large in total volume to have accustomed a great part of the population to the existence of an enormous number of people for whom no work was, or was expected to be, available.

Characteristics of the Long-Unemployed

Within the hard core of the unemployed, there were several distinct groups. First in importance, perhaps, was the group of older workers who had been discarded from all useful economic activity. All the surveys which were made of conditions in the depressed areas came to agreement that one of the major employment problems of the country was presented by long-unemployed older workers, most of whom had heavy family responsibilities. The third Annual Report of the Unemployment Assistance Board noted that during 1937 more than 250,880, or about 48 per cent., of the male applicants for allowance were 45 years of age or over, while 140,000 of this number were 55 years of age or over. Nearly one-third of these men had been unemployed continuously for three years or more. The fourth Annual Report of the Board, for the year 1938, revealed that of the 236,270 male applicants aged 45 and over, about 43 per cent. had had no employment in the preceding three years, while a further 35 per cent. had had less than 3 months' employment in the preceding three years. Similarly, in the case of women applicants aged 45 years and over (who numbered 17,700), about 35 per cent. had had no employment in the preceding three years and another 22 per cent. had obtained less than 6 months' work during that period.

In February 1938 and again in May 1939, analyses of the unemployed by age and duration of unemployment showed the direct relation between advancing age and long-term unemployment.[1] The proportion of men and women applicants for benefit or allowance who had been unemployed for long periods increased as age advanced, as the following table, covering male registrants in May 1939, shows.

[1] *The Ministry of Labour Gazette*, July 1939, pp. 242-244 and 262-264. For the preceding analysis, see *idem*, June 1938.

TABLE II. ANALYSIS OF THE UNEMPLOYED ACCORDING TO AGE AND DURATION OF UNEMPLOYMENT (MALE APPLICANTS FOR ASSISTANCE OR INSURANCE BENEFITS, AGED 18-64), MAY 1939

Age group	Total number in age group	Percentage			
		Unemployed for less than 3 months	Unemployed for 3 but less than 12 months	Unemployed for 12 months or more	Total
18-24	166,086	64.3	27.5	8.2	100.0
25-44	494,203	53.7	27.3	19.0	100.0
45-64	444,057	41.4	26.0	32.6	100.0

Source: *The Ministry of Labour Gazette*, July 1939, p. 243.

A second major group within the standing army of the unemployed was that made up of young people and juveniles who had spent their formative years without employment or in activity which gave them no experience or skill of lasting industrial value. In 1938, the Unemployment Assistance Board found, after a special enquiry, that, of about 90,000 men of 30 years of age and under, 58 per cent. had had no employment or less than 6 months' employment in the three preceding years. Its Report stated:

> Among the reasons why many of the Board's applicants have been subject to long periods of unemployment there is one to which committees in all parts of the country have directed attention. It has become manifest that the largest group of long-unemployed young men consists of those who are unskilled and can only offer to employers labour of a kind of which there is a superabundance. The men in this group are usually or often the victims of "blind alley" employment. On leaving school they obtained employment in which they had no opportunity to acquire either skill or aptitude or experience of any lasting value, and after the age of about 18 found themselves stranded without any industrial proficiency and having forgotten most of what they had learnt at school. Thereafter, if they have had work at all, it has been in short spells and at odd jobs that have never given them any proper industrial status . . . The minor unskilled jobs in industry are no doubt necessary, but the cumulative result of the casual and thoughtless practices which now prevail is at once demoralising to the individual and costly to the nation.[1]

Finally, a third distinct group among the long-unemployed were the handicapped. All of the applicants to the Unemployment Assistance Board are "capable of work" in the sense in which those words are construed under the Unemployment Insurance Acts. "There is no doubt, however, that a considerable number of applicants are at such a disadvantage through chronic ill-health or injury that their chances of employment depend mainly upon their finding an employer who will engage them on compassionate grounds", the 1938 Report of the Board pointed out. "Such persons are included amongst those registered for work and swell the figures pertaining to unemployment, notwithstanding the fact that, except under special conditions, they are in reality unemployable."[2]

[1] *Report of the Unemployment Assistance Board for the year ended 31 December 1938* (Cmd. 6021, London, 1939), pp. 45-46.

[2] *Ibid.*, p. 47.

The psychological characteristics of the long-unemployed were less tangible, but of great importance. As early as 1929, the report of the Ministry of Labour pointed to the importance of psychological factors in the re-employment of the long-unemployed, stating:

> The Department's experience in transferring men from depressed areas to work in other parts of the country has shown that, in those areas, prolonged unemployment has robbed many men both of the physical fitness and of the attitude of mind which would enable them to undertake heavy work under ordinary industrial conditions without having some opportunity, in circumstances under which their progress could be carefully watched, of accustoming themselves once more to regular hours and steady work.[1]

And some years later, the Unemployment Assistance Board emphasised that:

> A man long unemployed is not only in danger of losing his skill and aptitude for work, but he is also likely either to lose heart and feel that he is no longer wanted in the economic and social life of the nation, and thus to become embittered, or to accept his state of unemployment and make little effort of his own to change it.[2]

In ordinary circumstances, therefore, a long record of unemployment itself constituted a major obstacle to obtaining work. In addition to the psychological factors mentioned above, employers tended to discriminate against workers who had been jobless for any length of time, both in employment and, if the workers were lucky enough to find a job, in their necessarily slow readjustment to production activity. This tendency gave rise to a rather vicious situation. Workers, especially older workers, who had been unemployed for a long time were then discriminated against in training and rehabilitation measures because their opportunities for placement even after training were so poor. Training and retraining programmes thus had a limited utility for dealing with the hard core of unemployment in the years before the war. In fact, the expansion of training for adult workers and its extension to older long-unemployed workers were primarily dependent on the general economic situation rather than on the individual needs for training: programmes were curtailed in depression years and expanded in years of employment improvement—hardly a policy calculated to hold to a minimum the loss of employability occasioned by enforced idleness.

Before the outbreak of war, the problem of hard-core unemployment in Great Britain had already been affected by the expansion of the heavy industries, which had brought to the surface the very limited reserve of trained men available. There had been, as a result, considerable modification of employers' specifications with respect to certain classes of workers. Unemployed workers with skills useful to war industries were gradually absorbed, and the shortage of highly skilled workers in certain trades created an

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[1] *Report of the Ministry of Labour for the year 1929*, p. 37.

[2] *Report of the Unemployment Assistance Board for the period ended 31 December 1935* (Cmd. 5177, London, 1936), p. 17.

obstacle to the re-employment of less skilled workers.[1] The result of this process was that the remaining core of unemployment was made up, to an increasing extent, of workers who had never acquired much training or skill. As early as 1938, for example, the Commissioner for the Special Areas in Scotland pointed out that coal masters claimed that every efficient skilled man had a job and that in some districts they could not get men. "It is common knowledge", his report declared, "that in the last two years men who up to that time had been regarded by the coal masters as unemployable in the mining industry have returned to work." Yet, blinded to the implications of this by the all-pervasive pessimistic forecasting of future employment opportunities, the report continued: "It is, however, difficult to avoid the conclusion that the men now left unemployed are unlikely ever to get work in the industry again." In shipbuilding and in many branches of the engineering industry as well, men who had been considered unemployable began to find jobs as employment opportunities increased with war preparations. Employers' specifications in hiring workers were being modified in relation to the available supply of labour. Even so, however, there was a sense of defeatism about the possibility of totally abolishing the hard core of unemployment at the moment when the country stood on the threshold of war.[2]

Long-Term Unemployment during the War

September 1939—May 1940

"By the autumn of this year", the British Minister of Labour declared to the House of Commons early in August 1939, "we shall as a nation be facing the problem of full employment . . . when we find that we have jobs waiting for men." In fact, however, this forecast came true nearly twelve months later. The actual outbreak of hostilities in September 1939 led to dislocations of employment, with the result that, during the first month of war, unemployment rose by 100,000; in the second month, it rose by another 100,000; by the end of 1939, although slightly less, it remained at a high level, totalling 1,362,000; and in January 1940, it had risen to over 1,500,000. Not until the spring of 1940 was there any marked reduction in the general level of unemployment, and even by the end of 1940, total unemployment was over 700,000. During the year, however, the number of wholly unemployed men and boys had fallen by about 65 per cent. and the number of wholly un

[1] Writing in 1937, Sir William Beveridge declared:

> Rearmament expenditure, in so far as it involves a demand for labour specialised on industries such as shipbuilding which had been structurally depressed or is directed deliberately to the special areas, may eat into the 4 per cent. of long-period unemployment. It may bring frictional and seasonal unemployment to the lower, rather than to the higher, of the figures named, to 6 per cent. rather than to 8 per cent. But I should be surprised if it did much more than that. The absorption into regular industry of the chronic unemployed of the depressed areas will encounter many personal difficulties, even if there is an unsatisfied demand for labour in those areas. And already, at 6 per cent. or more of unemployment, in many regions of Britain, there are widespread complaints of shortage of labour and delays in production (*Economica*, Vol. IV, May 1937, p. 181).

[2] See, in this connection, the debates on unemployment in the House of Commons on 16 Feb. and 3 Aug. 1939.

employed women and girls by about 22 per cent; the average number of persons on the registers of the employment exchanges was the lowest on record since 1921.[1]

TABLE III. UNEMPLOYMENT IN GREAT BRITAIN DURING THE WAR

Date	Total unemployment	Wholly unemployed					Temporarily stopped	Unemployed casual workers
		Total	Men	Boys	Women	Girls		
Aug. 1939	1,231,692	968,108	729,877	35,353	167,754	35,124	211,978	51,606
Dec. 1939	1,361,525	1,170,798	763,699	35,506	325,166	48,427	143,065	47,662
Apr. 1940	972,695	840,027	538,570	21,528	243,480	36,449	90,182	42,486
Aug. 1940	799,452	613,156	303,979	27,168	235,192	46,817	154,380	31,916
Dec. 1940	705,279	541,900	248,068	16,943	244,166	32,723	141,848	21,531
Apr. 1941	410,511	318,772	139,895	17,344	133,056	28,477	75,373	16,366
Aug. 1941	270,289	219,771	98,737	17,390	82,208	21,436	37,950	12,568
Oct. 1941	216,199	185,850	85,598	11,436	72,789	16,027	20,452	9,897

Source: *The Ministry of Labour Gazette.*

While employment continued to improve in the heavy industries, in which new demands for labour were created by the war, many factors combined to keep unemployment at a high level during the change-over from a peace or near-war to a war economy. In explaining the increase in unemployment after the war began, the Minister of Labour estimated that the short-term unemployed who were out of work for only a few days numbered "at least 400,000"; that some 86,000 persons who did not normally register with the exchanges had done so in order to take up war work; and that another part of the increase was accounted for by the registration for employment of large numbers of friendly aliens.

Despite the rise in the general level of unemployment which took place immediately after the outbreak of war, long-term unemployment continued to decline steadily. Between August 1939 and January 1940, its absorption proceeded at a relatively rapid pace; between January and May 1940, although the reduction continued, the rate of absorption slackened.

The regular monthly analysis of the duration of unemployment of applicants for benefit or allowance was suspended on the outbreak of war; but from time to time special analyses have been made, which serve to indicate at least the general trend of long-term unemployment. The first such analysis covered workers on the registers of the employment exchanges at 1 January 1940. On that date, the total number who had been unemployed for 12 months or more had fallen from 245,000 (the comparable figure just before hostilities began) to 157,000—a decrease of 88,000. In other words, while the total number of persons unemployed had undergone no

[1] *The Ministry of Labour Gazette*, Jan. 1941, p. 2.
[2] *The Manchester Guardian*, 2 Dec. 1939; *Daily Telegraph and Morning Post*, 22 Jan. 1940.

change for the better, the number of persons unemployed for a year or more had declined by nearly 36 per cent., and long-term unemployment thus represented a smaller proportion of total unemployment by January 1940. By May 1940, the total number of persons who had been unemployed for a year or more had fallen to 121,874, a reduction from the figure for January of nearly 23 per cent. and a reduction from the figure for August 1939 of 50 per cent. Calculating the reduction from May 1939 (the time at which large-scale preparations for war began), long-term unemployment had declined by nearly 56 per cent., and the proportion of long-term unemployment to total unemployment was 4 per cent. less in May 1940 than it had been in May 1939—16.4 per cent. as compared with 20.3 per cent.

Because of the character of the demand for labour on and after the outbreak of war, almost all of the absorption of long-term unemployment took place among men; the number of women unemployed for 12 months or more showed little change, declining by only 2.8 per cent. between August 1939 and January 1940. By May 1940, however, the number of long-unemployed women had fallen from the August 1939 figure of 20,902 to 16,732—a reduction of 19 per cent. For adult men, on the other hand, there was a reduction of 86,429, or 38.7 per cent., in the number on the registers for a year or more by January 1940, and by May 1940 there was a further reduction of 31,760: the total reduction from August 1939 to May 1940 was thus about 53 per cent.

As in the period preceding the outbreak of war, the greatest reduction (both absolute and relative) in the long-unemployed took place within the group unemployed for one year but less than two years, but there were also substantial reductions among those with very long records of unemployment. Between August 1939 and January 1940, for example, there was a 47.6 per cent. decrease among men unemployed for from one to two years, a 39.2 per cent. decrease among those unemployed from two to three years, a 35.6 per cent. decrease among those unemployed from three to four years, a 41.0 per cent. decrease among those unemployed from four to five years, and a 26.0 per cent. decrease among those unemployed for five years or more.

TABLE IV. MALE REGISTRANTS (AGED 18-64) UNEMPLOYED FOR A YEAR OR MORE

Years on register	14 Aug. 1939		1 Jan. 1940		Decrease: Aug. 1939—Jan. 1940	
	No.	%	No.	%	No.	%
1 but less than 2	77,147	34.6	40,405	29.6	36,742	47.6
2 " " " 3	43,054	19.3	26,187	19.1	16,867	39.2
3 " " " 4	36,685	16.4	23,613	17.3	13,072	35.6
4 " " " 5	16,980	7.6	10,024	7.3	6,956	41.0
5 or more	49,232	22.1	36,440	26.7	12,792	26.0
Total:	223,098	100.0	136,669	100.0	86,429	38.7

Source: *The Ministry of Labour Gazette*, Feb. 1940, p. 42.

Moreover, just as had always been true in the past, age continued to be a marked handicap to re-employment. A special analysis of wholly unemployed men on the registers, made in March 1940, showed that, while all age groups had been affected by the upswing in employment between May 1939 and March 1940, the most marked reduction for wholly unemployed persons had taken place among the younger age groups. Thus, among men under 30 years of age, there had been a reduction of 45 per cent., whereas among men of 50 years of age and over the reduction amounted to only 16 per cent. Consequently, men over 50 years of age constituted 42 per cent. of the total number of wholly unemployed men in March 1940, as compared with less than 33 per cent. of the total in May 1939.[1] These figures were not related directly to the duration of unemployment, but an earlier analysis of the long-term unemployed, made on 1 January 1940, had shown that nearly two-thirds of the men unemployed for between one and two years and over four-fifths of those unemployed for five years or more were over 45 years of age. Nearly one-third of the men aged 55-64 who had been on the registers for one year or more had been unemployed for five years or more, as compared with little more than one-fourth of those aged 45-54, one-fifth of those aged 35-44, and one-seventh of those aged 25-34.[2]

The relation between skill and experience and length of unemployment became very striking as war demands on the labour supply expanded. Of the total number of men unemployed for a year or more in January 1940, nearly 64 per cent. were registered for employment as labourers; the number of long-term unemployed in the skilled occupations for which there was a continuing and unsatisfied demand for labour was extremely small.[3] The occupational groups which included the largest numbers of long-unemployed men were general labourers for heavy work and general labourers for light work, which together included nearly 40 per cent. of all men unemployed for a year or more.

To summarise, then, the first stage of the war in Great Britain—September 1939 to May 1940—was marked by a striking reduction in long-term unemployment. Although people in all age groups and in all occupations had been affected by the re-employment movement, the greatest decreases among the long-term unemployed were among those who had been unemployed for one year but less than two years, among those in the younger age groups, and among those with some skill or experience in their industrial backgrounds. To an increasing extent, therefore, the hard core of unemployment was made up of older and inexperienced or unskilled workers who had been without employment for a very long stretch of time. The re-employment of this group could hardly be expected to take place automatically in view of the fact that the greatest demands for labour at that time were from industries requiring workers with some skill or experience or with considerable physical strength.[4]

[1] *The Ministry of Labour Gazette*, May 1940, p. 128.
[2] *Idem*, Feb. 1940, p. 42.
[3] *Ibid.* Feb. 1940, pp. 43-44.
[4] In later months, there has been a marked shortage of labourers in many important industries, and in particular there has been an urgent need of strong men capable of undertaking heavy labouring work.

May 1940—November 1941

Military events of the spring of 1940, culminating in the collapse of France in June, led to more positive action in Great Britain to organise the utilisation of the country's man-power. The Minister of Labour and National Service was given extensive powers to mobilise labour resources and to control employment. One of his first acts was to inaugurate a general review of all the persons in the nation who were registered with the employment exchanges as "wholly unemployed", in order to accelerate the absorption of the unemployed, particularly those jobless for a long period, into useful employment. He emphasised that the time when the country could afford to waste its man-power had passed; and that national attention must henceforward be concentrated on the ways and means by which men and women could best be mobilised for the great industrial war effort that was required to win the Battle for Britain.

In order to find, among the long-term unemployed, men and women who might be suitable for employment in those war industries in which there was already a shortage of labour, the Minister of Labour made arrangements in July 1940 for a general review of all unemployed men who had been on the registers of the employment exchanges for a month or more. In the first instance, special panels were set up to review the prospects and employability of certain classes of workers in coal mining, shipbuilding, and agriculture and in the engineering industry, because of the acute shortage of suitably trained labour for these industries. In the second instance, general panels were established to survey the position of all men jobless for a month or more, no matter what their previous industrial link; the object of the extension of the panel system was "to provide an authoritative and impartial assessment of each man's employability, in order that he may be placed in the work in which he can best serve the national effort".[1] Towards the end of 1940, the scope of the panels was extended to include the review of the cases of all men who had had less than four weeks' employment in the preceding four months.

The panels were constituted by the local employment committees and consisted of the members of these committees together with such other persons as might be suitable, including, in particular, representatives of trade councils recognised by the Trades Union Congress.[2] They continue in operation, reviewing the cases of all men whose period of unemployment is prolonged. Although the general panels do not examine men who have been considered by the special panels set up to assess the employability of workers in particular industries, the special panels may refer to the general panels any men not considered suitable for employment in the industries in which they had previously been employed. The panels suggest, in each case, all possible types of employment for which the unemployed workers might be suitable. If any worker is thought suitable for industrial employment or for training in en-

[1] *The Ministry of Labour Gazette*, Aug. 1940, p. 213.

[2] The local employment committees are at liberty to co-opt other persons whom they consider suitable, in addition to their own members.

gineering, the panels help him to find employment or the appropriate training facilities; and if he is recommended to take up civil defence work of some type, the panels put him in touch with the right authority. The Report of the General Council of the Trades Union Congress to the annual Congress, held in Edinburgh in September 1941, drew attention to the work of the panels, stating: "The work of the men's panels has been fully justified by the results, and the individual attention which can be given to each unemployed worker by the sympathetic operation of these panels is more likely to be productive of good results than the customary method of registration."[1] It was found, for example, that there were a great many long-unemployed men who had lost not only a certain amount of their skill but, equally important, had also lost confidence in their skill and were afraid to go back to their old work. Many of them were men in the 40-50 age class who had been unemployed for four or five years. The panels succeeded in finding light work for them, with the result that many men who were placed on light work found, after a stretch of regular work, that they could not only do light work, but that they could do their old job—and do it with all their old skill and self-respect. An important factor in the success of the scheme was the enlistment of the whole-hearted co-operation of the employers, persuading them to be patient and sympathetic during the difficult first weeks of the men's readjustment to the routine of work.[2]

By the end of October 1940, nearly 152,000 men had been interviewed by the panels. The great majority (nearly 117,000) were considered suitable for immediate employment, and a small additional number (3,000) considered likely to become suitable after a period of trial or reconditioning. Among the persons considered unsuitable for immediate employment, the chief causes were physical or mental disability (nearly 25,600) or age (about 9,500); an additional 700 men classified as unsuitable were in receipt of workmen's compensation; and another 1,600 were judged unsuitable for miscellaneous reasons. By the end of the year, the great majority of wholly unemployed men had been interviewed by the panels and had been classified either as fit for immediate employment or as unsuitable for ordinary industrial employment.

As a result of the successful operation of the panels set up to review the cases of men unemployed for longer than a specific period, the Minister of Labour and National Service extended the machinery to unemployed women workers, and panels were established to interview all women workers who had been unemployed for one month or more. As in the case of men, panels were set up in consultation with the local employment committees, but also

[1] The Minister of Labour has also praised the work of these panels on various occasions.

[2] *The Times* (London) tells how "unemployables" built one of the best shell-filling factories in the country and afterwards found employment in it. "They came from two, three, eight or even ten years of unemployment, before which they were in many kinds of occupation. . . They were started slowly and experimentally till they became inured to the work. Then the job with a sufficiency of food and the recovery of self-reliance began to tell. Those who saw them after a few weeks found transformed men with a new bearing, a revived confidence, and a changed outlook." (30 Apr. 1941.)

including members from the women's sub-committees. Membership of the panels is not confined to members of these two committees, however, and additional persons with practical knowledge of industry have been co-opted; women officers from the employment exchanges assist the panels in their work.

The findings of the panels regarding the suitability of the unemployed for industrial employment are tabulated below. Although the figures do not indicate how many of the long-term unemployed (that is, those unemployed for one year or more) are to be found in one category or the other, yet they do provide information on the relative number of unemployed who are difficult or impossible to place in employment and are apt to form a nucleus of long-unemployment unless positive measures are taken to reintegrate them in industrial life.

TABLE V. THE EMPLOYABILITY OF THE UNEMPLOYED
(*Investigations of the panels of local employment committees*)

Date	Men and boys		Women and girls	
	Total number wholly unemployed	Number classified as unsuitable for ordinary industrial employment	Total number wholly unemployed	Number classified as unsuitable for ordinary industrial employment
Feb. 1941	217,546	34,917	231,429	
Mar. 1941	217,432	36,400	198,021	2,000
Apr. 1941	196,366	37,000	101,533	3,797
May 1941	141,984	36,393	148,328	4,021
June 1941	121,562	34,763	122,094	3,975
July 1941	113,662	33,048	105,915	3,814
Aug. 1941	116,127	32,345	103,644	3,623
Sept. 1941	100,048	30,462	96,546	3,477
Oct. 1941	97,304	28,722	88,816	3,482
Nov. 1941	95,335	27,821	76,649	3,076

Source: MINISTRY OF LABOUR AND NATIONAL SERVICE: monthly releases *The Ministry of Labour Gazette;* various notices.

It is not yet possible to estimate the results of the work of the panels on the rate of re-employment of the long-unemployed; but, in any case, from May 1940 onwards, the problem of long-term unemployment shrank steadily in size and importance and was replaced, by the end of the year, by the inter-related problems of labour shortage for war industries on the one hand, and on the other, "migratory unemployment" occasioned by deliberate or forced labour transference from non-essential to essential industries. In September 1940, the Minister of Labour announced that the hard core of unemployment had been reduced to "well below the 100,000-mark". In a speech to the Works Management Association, he declared:

We have . . . eaten into the hard core of unemployment by means of training and transfer—not to the extent I would like, but it has been demonstrated that no human being is hopeless unless he is physically incapable. In the latest available figures, which are by no means complete, the hard core of unemployment has been reduced to well below the 100,000-mark, and these workpeople are, after all, victims of a system for which they are not responsible. I am anxious to distribute those who are capable among the works of this country so as to get rid of this problem once and for all, and then the State must take steps to prevent it recurring.[1]

By November 1940, the total number of registered applicants unemployed for 12 months or more had fallen to 67,984, a figure which constituted only 10.5 per cent. of total unemployment as compared with 16.5 per cent. in May 1940. The number of adult men on the registers for a year or more fell from 104,909 in May 1940 to 54,079 in November, or by nearly 50 per cent., while the proportion of long-term to total unemployment among all men applicants fell from nearly 20 per cent. to 15 per cent. The continued adverse effect of age on re-employment opportunities was indicated by the fact that over three-fourths of all the long-unemployed male applicants for benefit or allowance were 50 years of age or over. Moreover, only 6.5 per cent. of men applicants who were under 50 years of age had been unemployed for 12 months or more, whereas over 26 per cent. of those aged 50 to 64 had been unemployed for a year or more.[2] Clearly, therefore, the greatest part of the hard core of unemployment was now made up of "the long-term unemployed for whom because of old age or other infirmities it is unlikely that further employment will be found".[3] This fact led the Minister of Labour to consider the introduction of some kind of scheme to reduce the hard core of unemployment by removing older workers from the registers. "There are many men who should not be included in that category (*i.e.* the hard core)", he said. "I am trying to devise some form of payment to those men so that they will be taken off the books and regarded as veterans of industry."[4]

Such a scheme was never put into effect, primarily because the need to use all available labour, including "veterans of industry", in some capacity or other, was too great. Older men were encouraged in every way to get back into their old line of work; older women were called upon to take the places of young and more mobile women; employers (particularly defence contractors) were requested to facilitate in every way possible the employment of older workers or workers handicapped by a long record of unemployment or by a lack of skill or both.[5] In other words, large numbers of the so-called unemployables were gradually being drawn back into the employment market under the constantly increasing pressure of war demands on the labour supply.

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[1] *The Ministry of Labour Gazette*, Oct. 1940, p. 261.

[2] *Idem*, Dec. 1940, p. 311.

[3] Statement of the Minister of Labour in the House of Commons, 7 Nov. 1940.

[4] *The Manchester Guardian*, 16 Dec. 1940.

[5] It was reported in May 1941 that arrangements had been made with the Admiralty, the Ministry of Supply, and the Ministry of Aircraft Production for those departments to circularise their contractors asking the latter to endeavour, if possible, to absorb the men classified by the review panels as suitable for light work in industry.

By the spring of 1941, very few adult men registered with the employment exchanges had been unemployed for any length of time. In the official view, jobless men who were physically capable of work were practically non-existent. The Minister of Labour reported in June 1941 that the great majority of wholly unemployed men on the registers were unemployed for short periods between jobs. He emphasised that, of the men returned as wholly unemployed on 12 May 1941, "about a quarter of the total had been classified by local employment committee panels as unsuitable for ordinary industrial employment for physical and other reasons", but added: "It is not to be expected that men so classified can be easily placed in employment, but a fair number of them do nevertheless get back into work."[1] In late October, it was stated that 30 per cent. of the wholly unemployed men on the registers had been adjudged unsuitable for ordinary industrial employment, and that the great majority of the others were simply passing from one job to another.[2]

Long-term unemployment has been, as was to be expected, more persistent in the case of women than of men, although its level among women was relatively low. In March 1941, a special analysis was made of all the wholly unemployed adult women on the registers of the employment exchanges. Of the total of 159,982 unemployed women, 24,239 (14.2 per cent. of the single women and 15.8 per cent. of the married women) had been unemployed for a year or more. More than 25 per cent. of the total number of long-unemployed women were aged 40-49 and nearly 30 per cent. were 50 years of age and over. On the basis of this analysis, the Minister of Labour urged employers to draw from the reserve of older unemployed women in filling their labour requirements and to utilise these women to replace younger women who could do other work.[3] Replying to a question in the House of Commons on 21 October 1941, the Minister called attention to the difficulties of re-employing or employing some classes of women workers, stating:

> In the case of women, the determining factor is often that they are not mobile and cannot readily be sent to employment available in other districts, and the only means of abosrbing them is by the withdrawal of mobile women from local employment for employment elsewhere, and replacing them so far as possible by the women who cannot leave home.

By the autumn of 1941, the overwhelming majority of the long-unemployed had been absorbed into useful economic activity. The

[1] *Parliamentary Debates, House of Commons*, 25 June 1941.
Similarly on 3 July, the Minister stated, of the men classified as unsuitable for ordinary industrial employment: "Experience shows, however, that in present circumstances a number of these are likely to find employment" (*Idem*, 3 July 1941).

[2] *Idem*, 21 Oct. 1941. Statement of the Minister of Labour and National Service.

[3] Following a meeting of the Minister of Labour and the Joint Consultative Committee, this statement was issued concerning the employment of older women:

> It was reported that a number of employers were reluctant to take into their employment women over the age of 35 or 40. The Minister asked for the co-operation of the British Employers' Confederation in bringing to the notice of employers the importance of using the services of these women to the fullest possible extent. The Committee agreed that steps for this purpose should be taken (*The Ministry of Labour Gazette*, July 1941, p. 137).

sympathetic approach of the review panels to the re-employment problems of the long-unemployed had not only brought large numbers of these workers back into the employment market but had made it possible for them to work back gradually into their old jobs and to regain their skill and self-respect. The latest figures available show that the reserve of unemployed labour power in Great Britain has been exhausted and that practically every man or woman who is able to work and who wishes to work can be placed, without much delay, in useful employment.[1] Some of the London papers have even called attention to the fact that many of the "unfit" now have jobs, adding: "Still it cannot be said that others are deprived thereby."[2]

Conclusion

The war has lifted the burden of hard-core unemployment from the British economy. Too little material has as yet been published to make possible any detailed or analytical description of how the hard core has dissolved under the pressure of war demand for labour; but there is no doubt that long-term unemployment has been almost completely absorbed. National emphasis has shifted from the dissolution of the hard core of unemployment and is now centred on the prevention of short-period unemployment. The major preoccupation at the present time is to ensure full and continuous employment for workers in essential industries and to shift workers from non-essential to essential jobs without intervening periods of "migratory unemployment".

The principal lesson that can be drawn from British experience so far during the war is that the limits of "unemployability" are in practice much more narrow than had generally been assumed. The idea is still all too prevalent that a "standing army" of unemployed is inevitable, that is, that there are large numbers of people who cannot, in "ordinary times", find jobs. British experience has shown that the main cause for this widely-held belief has lain in the depressed level of employment. Nevertheless, there will remain

[1] Relative to the need for labour, the unemployment figures still remain at a high level, but the explanation for this lies largely in the lack of complete correspondence between local demand and local supply and in the still imperfect degree of co-ordination between the release of labour from non-essential or overstaffed industries (which now contain the largest reserve of labour in the country) and its reabsorption into essential activity. In this connection, some of the schemes for the concentration of production have thrown out of employment many older women who are difficult to place because their domestic responsibilities and other factors (including the prejudices of employers) make them relatively immobile.

[2] *Quoted in the New York Times*, 19 Aug. 1941.

Speaking in the House of Commons on 8 October 1941, the Minister of Labour and National Service declared that both industry and agriculture must adapt themselves to the labour available. "You cannot allow a man who has been idle for two, three, or four years to be sacked within 48 hours of his being taken on and say that he is no good", he added. "You must keep him a month. You must let his muscles harden up, and allow him to get fit and back into industry. The amount of wastage has been less than 5 per cent. of the people who have been out of work for years."

a problem of "relative employability". If, in future, the volume of demand for labour is allowed to fall below the supply, or if the character of the demand shifts without corresponding adaptations in the supply, many of the less employable workers, from the employers' point of view, will be thrown out of their jobs and will be unable to find new work. Their absorption into ordinary industrial employment will become more and more difficult in direct relation to the duration of their joblessness. They will become the nucleus of a new hard core of unemployment. In the absence of preventive action, the limits of "unemployability" will be extended to include these "less employable" workers, whose unemployment derives primarily from the fact that there is no work for them to do or that they are not suitable for the work that needs to be done.

Thus, one of the first prerequisites for any permanent solution of the problem of hard-core unemployment is the maintenance of employment opportunities at a level at which there is employment for all who wish to work and who are physically and mentally capable of regular work. The prevention of chronic and prolonged unemployment in time of peace will demand the same unity of economic purpose and approach as is now facilitating the mobilisation of economic resources for war purposes.

A second prerequisite for preventing the recurrence of hard-core unemployment is the existence of adequate administrative organisation and techniques for investigating the prospects of persons who lose their employment, for finding suitable employment for them, and for giving them the opportunity, by training and retraining programmes, for fitting themselves for the jobs in question. In this connection, it may be possible to make training and retraining programmes a more active agency for increasing employability or for modifying it in relation to the trend of the employment market than they have ever been in the past. The prospects of immediate placement must not be the sole or even the dominant criterion for the expansion or contraction of training and retraining programmes; they must merely determine the direction of the training given. The scope of the training, on the other hand, must be determined by the general level of employment, in the sense that programmes should be contracted or expanded to correspond with the number of people who are for ed by changing economic conditions to move from one job to another. To a much greater extent than in the pre-war era, programmes must be based on the individuals' needs for training or retraining if the loss of employability occasioned by enforced idleness is to be held to a minimum. Otherwise, the familiar and vicious cycle of unemployment, gradual loss of employability, and chronic or prolonged unemployment will once again hold sway.

It is true, of course, that the *debout les morts* policy that has been necessitated by war requirements may well be modified so that many of the older workers and of those who are physically incapacitated can withdraw from the employment market in security, receiving as "veterans of industry" an adequate income. At the same time, in countries which, like Great Britain, have been heavily engaged in conflict, a great national rehabilitation effort is being planned as a complement to reconstruction in the economic and

social field. No personal unit must be wasted after the war, the British Minister of Labour and National Service has warned. "It may lead to adapting machines to man instead of man to machines (he said), but that is not difficult. We cannot afford to neglect man-power."[1]

The emphasis which has been placed on the necessity to avoid further wastage of human resources in Great Britain has been widely echoed in other industrial countries. Because of the urgent and extensive demands of the war, the world has been shocked into a realisation of the waste of man-power that had characterised the pre-war period. The great majority of the people will not easily slip back into acquiescence in such waste once peace has been concluded. And those among them who have become a useful part of the community during the war will not meekly resign themselves to a future of unemployment and insecurity because the community cannot use their services in time of peace. It is no mere coincidence that statesmen in every major industrial country have begun to emphasise that employment security must be an integral part of future democracy. It is no exaggeraton to go beyond this and to suggest that the very maintenance of democracy is directly related to the prevention of the recurrence of widespread chronic and prolonged unemployment.

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An appendix to this report, based on material provided by the Ministry of Labour and National Service, will be published in an early number of the *Review*.

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[1] Speech to the Institution of Production Engineers, Sept. 1941.
The Draughtsman (Feb. 1941) suggests that "gearing up" the health services as well as the employment services will help to reduce the hard core made up of the disabled unemployed; this is undoubtedly true and will be an essential part of any broad preventive action against prolonged unemployment.