Unemployment as a Way of Life

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Declaration

Except where otherwise indicated in the text, this thesis is entirely my own work.

Andrew Stuart

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Abstract

The recession of 1982/83 pushed a cohort of the unemployed into long-term unemployment. The remaining members of this cohort are now at unemployment durations of three or more years. They continue to have a strong effect on the measured unemployment rate as well as on average unemployment durations. The recession effected a qualitative change in the nature of unemployment in Australia. A sizeable population of the long-term unemployed now exists for the first time since the Great Depression.

Psychologists, and more recently the media, have approached the question of unemployment through the concepts of stress, depression, ill health and suicide; as a personal misfortune. At the same time government policies concerned with training programs for the unemployed suffer from a lack of understanding of long-term unemployment as a way of life. I approach the life of long-term unemployment through two simple sociological concepts. The first is that long-term unemployment may become a way of life in all respects habitual and 'normal' for the subject. The second is that the life of unemployment can not be understood apart from an understanding of the social organisation of wage labour.

The second of these ideas depends on the commonplace that unemployment is the absence of employment. I use this as a methodological principle: the culture of long-term unemployment is most easily understood by regarding the structures and relations that wage labour commonly provides in industrial capitalism, and by considering the effects of their loss. The first of the ideas I develop from the insights of Alfred Schutz into the nature of the 'world taken for granted'. I extend his insights, viewing the life of long-term unemployment as the product of a process of cultural change in which the taken-for-granted life of employment is lost and that of unemployment is embraced. I review the implications of this understanding of long-term unemployment for the design of training and job-creation schemes as well as for broader issues of social change.
Table of Contents

Declaration ii
Acknowledgements iii
Abstract iv
Preface ix

1. Introduction 1
  1.1. Recent changes in the nature of unemployment 2
  1.2. Genesis of a research question 5
  1.3. The transition to the new social organisation of labour 9
  1.4. New roles in the social relations of production, and some definitions 12

2. The Transition to Unemployment: a Review 15
  2.1. Introduction 15
  2.2. Those most likely to suffer 16
  2.3. In the scales of distress: the unemployed and the wage labourer 22
  2.4. Learned helplessness and the locus of control 25
  2.5. The cycle of adjustment to unemployment 29
  2.6. Conclusion 34

3. The Culture of Work and the Culture of Unemployment 36
  3.1. Introduction 36
    3.1.1. The world taken for granted 36
    3.1.2. The process of cultural transition 37
  3.2. Unemployment as loss
    3.2.1. Loss of the unintended functions of work and the variability of 39
           the unemployment experience
    3.2.2. Loss of intended habits, meanings and consciousness of 46
           employment
    3.2.3. Loss of employment as loss of a central reality 51
  3.3. Lag and distress: in praise of 'dole bludging' 52
  3.4. Acceptance of unemployment and the generalisation of loss. 56
  3.5. The social division of labour and the search for new meanings 57
  3.6. A note on school leavers 60
  3.7. Unemployment as culture 63
  3.8. Conclusion 70

4. Getting into Wage Labour 72
  4.1. Theoretical approaches 72
  4.2. Getting a job as a cultural change 75
  4.3. The limitations of available evidence 77
  4.4. Employment as loss
    4.4.1. The duration of unemployment 79
    4.4.2. The availability of alternative roles 80
  4.5. Disenchantment with wage labour 81
  4.6. Cultural conflict in the workplace 81
  4.7. The conditions of labour 82
  4.8. Mediating the culture of wage labour
    4.8.1. The effectiveness of pre-job training 85
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.8.2. Isolation or social support</td>
<td>86</td>
</tr>
<tr>
<td>4.9. Conclusions</td>
<td>87</td>
</tr>
<tr>
<td>5. The Social Consequences of Unemployment, Revisited</td>
<td>90</td>
</tr>
<tr>
<td>5.1. Quietism or revolt?</td>
<td>90</td>
</tr>
<tr>
<td>5.2. De-modernisation?</td>
<td>92</td>
</tr>
<tr>
<td>5.3. Conflict over the work ethic</td>
<td>93</td>
</tr>
<tr>
<td>5.4. Unemployment and the leisure society</td>
<td>95</td>
</tr>
<tr>
<td>5.5. Good work</td>
<td>96</td>
</tr>
<tr>
<td>5.6. Summary and conclusion</td>
<td>97</td>
</tr>
<tr>
<td>Appendix A. Australian Data on Unemployment and Labour Force Dynamics: What Does it Mean?</td>
<td>102</td>
</tr>
<tr>
<td>A.1. Labour force dynamics: an introduction</td>
<td>103</td>
</tr>
<tr>
<td>A.2. What is unemployment?</td>
<td>106</td>
</tr>
<tr>
<td>A.3. Definitions of labour market roles</td>
<td>107</td>
</tr>
<tr>
<td>A.3.1. Unemployment benefit</td>
<td>108</td>
</tr>
<tr>
<td>A.3.2. ABS definitions</td>
<td>109</td>
</tr>
<tr>
<td>A.4. Sampling and flows methodology: techniques using ABS data</td>
<td>113</td>
</tr>
<tr>
<td>A.5. Resulting distortions in ABS flows data</td>
<td>115</td>
</tr>
<tr>
<td>A.5.1. Summary</td>
<td>120</td>
</tr>
<tr>
<td>A.6. Sampling and flows methodology: Department of Social Security data</td>
<td>120</td>
</tr>
<tr>
<td>Appendix B. The Recession Cohort Effect: an Anatomy of Recent Long-term Unemployment</td>
<td>122</td>
</tr>
<tr>
<td>B.1. An anatomy of the recession</td>
<td>123</td>
</tr>
<tr>
<td>B.1.1. Flows of the whole population of beneficiaries</td>
<td>123</td>
</tr>
<tr>
<td>B.1.2. Estimation of flows by age group and sex</td>
<td>125</td>
</tr>
<tr>
<td>B.2. Changes in the distribution of unemployment duration in the two decades to 1985/6</td>
<td>133</td>
</tr>
<tr>
<td>B.2.1. Average completed durations of unemployment</td>
<td>133</td>
</tr>
<tr>
<td>B.2.2. Method of estimation</td>
<td>136</td>
</tr>
<tr>
<td>B.2.3. Results</td>
<td>139</td>
</tr>
<tr>
<td>B.2.4. The survival experience of entry cohorts into unemployment</td>
<td>140</td>
</tr>
<tr>
<td>B.2.5. Shares of total unemployment duration</td>
<td>147</td>
</tr>
<tr>
<td>B.3. Conclusion</td>
<td>149</td>
</tr>
</tbody>
</table>

References
List of Figures

Figure B-1: Unemployment benefits - quarterly stock levels, inflows and outflows. Unadjusted data. 124
Figure B-2: Unemployment benefits - quarterly stock levels, inflows and outflows. Annual moving average data. 126
Figure B-3: Cumulative proportions surviving in unemployment benefits, by period of entry to benefits. 142
Figure B-4: Shares of total unemployment experience, Unemployment benefits, 1983-1986 150
List of Tables

Table B-1: Quarterly inflow levels by age group and sex - Annual moving average data. (in thousands)
Table B-2: Quarterly inflow levels by age group and sex - Annual moving average data indexed to May 1981 base.
Table B-3: Quarterly stock levels by age group and sex - Annual moving average data. (in thousands)
Table B-4: Quarterly stock levels by age group and sex - Annual moving average data indexed to May 1981 base.
Table B-5: Quarterly outflow levels by age group and sex - Annual moving average data. (in thousands)
Table B-6: Quarterly outflow levels by age group and sex - Annual moving average data indexed to May 1981 base.
Table B-7: Stock and inflow levels, total spells, turnover rates and estimated average durations of unemployment, 1965/66 to 1985/66
Table B-8: Average completed durations of unemployment benefits, August 1982 to November 1986 quarters
Table B-9: Estimated average completed durations of unemployment, by age group and sex - Inflow cohorts February 1981 to November 1983
Table B-10: Period of entry to benefits and survival into subsequent surveys: structure of the data. (in thousands)
Table B-11: Cumulative proportions surviving in unemployment benefit, by period of entry to benefit and age and sex group.
Table B-12: The probability of leaving unemployment benefits, by period of outflow - Annual moving average data
Table B-13: The probability of leaving unemployment benefits during recession or recovery, by completed duration, age group and sex
Table B-14: Percentage shares of total completed spells and duration of unemployment benefits, 1982-1986
Preface

You know when you’re in a field sometimes and you look at the insects and you see them all scurrying backwards and forwards, and you’re up in the air and you’re like God... they’re all busy going backwards and forwards, all going somewhere. Well just recently, just this past year, I’ve had this feeling about people... you look and there are all these people rushing backwards and forwards, driving cars, riding on buses, going into shops, and they’re all going somewhere. They’ve all got work to do, or they’ve got journeys to make, and I feel, ‘What’s it all for?’ I feel outside it. It doesn’t make me want to join in, it just makes me feel different. I really admire these guys who can get up and shave, and have breakfast and make a journey to work, and come home again, and have meals - guys who can do all that in one day! I don’t know how they can manage it.

(‘Mr Dover’, quoted in Marsden and Duff, 1975: 211)
Chapter 1

Introduction

Two ideas drive and unify this thesis. The first is that long-term unemployment may become a way of life which is in all respects habitual and 'normal' for the subject. The second is that the way of life of unemployment can in no way be understood apart from an understanding of the social organisation of wage labour. Neither of these ideas should be startling to the sociologist. The first depends on the insight commonplace in sociology that the human subject is highly malleable and adapted to a wide array of social arrangements. Alfred Schutz made this insight the basis of his opus in describing the 'taken-for-grantedness' of the social world which the subject inhabits for the time being. The second idea depends on the equally commonplace conception that unemployment is the loss or absence of paid employment. In his programmatic statement on the 'sociological imagination' C. Wright Mills pointed to a general inspiration of sociology: to understand the personal troubles of individuals we should study the public issues of social structure (Mills, 1959; 3). Consistent with this dictum, I argue that the life of unemployment is best understood as the loss or absence of those structures and relations that wage labour provides.

While these ideas appear unremarkable once stated, they are almost entirely absent from the social-scientific literature concerned with unemployment. It is the primary task of this thesis to follow the course these two ideas lead in a critique of the extant work on the personal effects of unemployment (Chapter 2), in a theoretical understanding the experience of the long-term unemployed (Chapter 3), and in the implications this has for the design of training schemes for the long-term unemployed (Chapter 4).

Long-term unemployment is a growing problem in many western industrialised countries. The existence of a population of able-bodied, long-term unemployed has become comparatively 'normal' in these economies in recent years. In Australia the stock of those unemployed for two years or longer (as measured by the ABS) has increased from 38 thousand in November 1981 to 102 thousand in November 1986, or to 17.5 per cent of the total stock of unemployment. Depression conditions are not necessary to generate a sizeable population of long-term unemployed.
Research original to this thesis and contained in Appendix B demonstrates how the common economic cycle of recession and recovery - just as well as the extreme cycle of boom and bust - is sufficient to generate a comparatively stable and quite large population of the long-term unemployed. Recession pushes new labour market entrants, together with labour shed by contracting industries, into increasingly longer durations of unemployment. Recovery assists the newly unemployed to avoid longer duration joblessness but only whittles at the cohort who became jobless during the recession. This ‘recession cohort effect’ thus deals out quite different life chances to those who enter the labour market or otherwise become jobless in lean years or good years. Those who are currently long-term unemployed in the Australian economy can quite clearly be identified with the recession of 1982-83 and, before that, of 1975-76.

1.1. Recent changes in the nature of unemployment

In Appendix A, I argue contrary to much recent work by economists that long-term unemployment in Australia forms a large and growing proportion of all unemployment. The distribution of time in unemployment between individuals has become markedly less equal following the 1982/83 recession in Australia. I enter an area of study more common to economists - labour force dynamics - to describe movements to and from long-term unemployment during the last five years. ‘Labour force dynamics’ can be understood as the patterned flows of people between the different labour force roles of employment, unemployment and being outside the labour force. Labour force dynamics can give an insight not available from stock statistics into the completed duration of spells of unemployment and into the social distribution of unemployment between different groups.

A lesson from labour force dynamics research is that even a high rate of unemployment need not be of concern if it is constituted by a continual high turnover of different individuals, since this would indicate an equitable distribution of unemployment. For example an unemployment rate of 8 1/3 per cent could be constituted by every member of the labour force being unemployed for one month each. If this were the case employment stability rather than job creation might be the target of social policy. However, the same 8 1/3 unemployment rate could be constituted by one twelfth of the labour force remaining unemployed for the whole year. The more that unemployment tends toward such high retention, low turnover unemployment, the more that special labour force programs can be designed to improve the chances of finding work of a target group of the unemployed.

Findings from studies of labour market dynamics based on ABS data (and in
the US, on the rather similar BLS data) have fueled the 'turnover' model of unemployment, in which job instability rather than job availability is seen as the crux of the unemployment problem. The high degree of movement found between labour market activities from data such as ABS gross flows data is seen as evidence that the labour market is very active and that 'almost everyone who is out of work can find his usual type of job in a relatively short time' (Martin Feldstein, quoted in Clark and Summers, 1982: 199). Analysts have argued that unemployment is almost entirely a turnover phenomenon and that the traditional view of hard-core unemployed who are unable to find a job is either misled or pays undue attention to an epiphenomenon.

The policy ramification of this 'new view' of the labour market is that job creation is a wasted effort because it constitutes an artificial and expensive 'turnover' in an already sufficiently dynamic labour market (compare Clark and Summers, 1982: 200). In a landmark paper opposing this new view of the labour market in the United States, Clark and Summers have written:

... much of what appears to be evidence of dynamic labour market behaviour is in fact a reflection of artifacts in the data. (1982: 200)

Appendix A takes this line of argument further in a critique of Australian gross flows data derived from ABS labour force surveys. I argue that:

- ABS definitions of unemployment lead to an undercounting particularly of long-term unemployment; and

- ABS information on movements into and out of unemployment exaggerates by a factor of two the actual level of such flows and underestimates the average duration of a completed spell of unemployment.

The distortions created in our understanding of long-term unemployment by reliance on ABS data are so serious that I have used Social Security data on unemployment beneficiaries as a preferable alternative (the limitations of this data source are also discussed in Appendix A.) The Social Security data demonstrates that the growth from about six per cent to over 10 per cent recorded unemployment in Australia during the 1982-83 recession represented a significant social change. Not only was there an inflation in the numbers unemployed, but there was a qualitative change in the nature of unemployment which has persisted despite a reduction in the unemployment rate to some eight per cent during 1986. A flows analysis of the unemployment beneficiary population provides evidence of the following major changes in unemployment:
1. Those who became or were unemployed during the period of recession (the recession cohort) were more likely than those who became unemployed before or since to remain in unemployment for long durations. Average durations of a completed spell of unemployment doubled for those entering unemployment during the recession to some 32 weeks (over seven months).

2. Those who were unemployed during the recession and remained unemployed at its end were likely to remain in unemployment despite the recovery which took place. Economic recovery did not improve the labour market opportunities of the long-term unemployed in comparison with new labour market entrants. As a result, there now remains a large group of the unemployed who have remained jobless since the recession, together with those more recently unemployed who are more likely quickly to leave unemployment.

3. Consequently, across all age and sex groups the distribution of unemployment has become increasingly bi-modal in the post-recession period. That is, there have come into being two fairly distinct groups of the unemployed: firstly, those who pass through unemployment quickly after leaving school or between jobs (turnover unemployment); and secondly, those for whom unemployment has become a durable way of life. Not only does the second of these groups account for greater proportions of all unemployment, but the middle ground between short and very long-term unemployment has decreased in relative importance. The growth in total unemployment of 1982-83 has created greater inequality in the way unemployment in Australia is divided.

To discuss the implications of long-term unemployment as a way of life is not, therefore, to discuss a small or dwindling phenomenon. Contrary to the so-called 'new view' of the labour market, the transformation of DSS data for flows analysis evidences a growing, identifiable population of long-term unemployed people for whom special labour force programs are essential if they are to gain employment.

If any further spur is required to encourage assistance to the very long-term unemployed, the current unemployment rate is kept high by the persistence in unemployment of the recession cohort. This cohort has an effect on the measured unemployment rate which is out of proportion with its size. This effect may seem paradoxical, but it arises because the chance of being sampled in an ABS labour force survey is directly proportional to the length of an individual's spell of unemployment. A spell of two years duration has four times the chance of being counted as a spell of six months. By logical extension, the amount of measured reduction in the stock of unemployment is directly proportional to the length of the spell of the person leaving unemployment: the completion of a number of two-year long spells of unemployment reduces the measured unemployment rate by four times the reduction which would be observed upon the completion of an equal number of six-month spells. The most effective reduction in measured unemployment would arise from a reduction in the prevalence of long-term
unemployment. Appendix B provides evidence that if the remains of the recession cohort were removed from unemployment, the unemployment rate in Australia would return to the levels which characterised the late 'seventies.

The very long-term unemployed are not the current emphasis of labour market programs. From the beginning of 1986, government programs in general require a minimum unemployment duration of six months for eligibility. This is less than the average completed duration of unemployment during 1985-87 (over seven months). Program entrants are clustered towards the minimum qualifying duration. While 17 per cent of all those unemployed from six months to a year were placed in labour force programs during 1986, the penetration rate for those unemployed for over two years was less than 5 per cent. At current levels of expenditure this penetration rate could be increased to nearly 100 per cent.

However the current range of labour force programs in Australia are not the most suitable for the very long-term unemployed. Programs aimed at the remainder of the recession cohort will need to recognise the debilitating effects on personality, lifestyle and work habits of the habituation of individuals to prolonged spells of enforced idleness. This theme is pursued at length in Chapters 3 and 4.

1.2. Genesis of a research question

I came to the question of long-term unemployment through a practical need to understand why the long-term unemployed were more likely than others to quit from a range of job creation and training schemes. During 1984 I was involved in the evaluation research into the so-called Youth Manpower Programs (YMP) undertaken at the Bureau of Labour Market Research (BLMR). We discovered that thirty to fifty per cent of all starters in the Youth Employment Training Program (SYETP) sub-program left their subsidised job before the end of the subsidy period. They did so at a considerable personal cost:

- In comparison with those who completed programs, those who quit fared very badly in the labour market in the ensuing six to eight months. Of those who completed programs, 51 per cent gained work which was uninterrupted during the six to eight months follow-up period. By contrast, of those who did not complete their placements only 17 per cent gained such employment. Those who did not complete their training were also considerably more likely to remain in unemployment. While 26 per cent of those who completed remained unemployed, 37 per cent of all those who did not finish the SYETP placement did not find any full-time work during the initial six to eight months follow-up period.

- This labour market failure was likely to be long-term, since more than six in ten of these failed participants had still not found any full-time work at least 18 months after leaving the program.
• Participants who left placements also lost wages at award pay levels far exceeding unemployment benefit payments.

The high rates of scheme separation - despite its considerable personal cost - attests to the existence of social or cultural forces acting upon trainees. How might these forces be sociologically understood? The results of this research are documented in the BLMR evaluation report on the Youth Manpower Programs (unpublished). I summarise them here:

• participants with greater unemployment duration and less education were more likely to leave the schemes;

• trainees were likely to quit because they did not get on with supervisor or colleagues, while supervisors were likely to dismiss trainees because of a lack of attendance or punctuality;

• trainees placed in jobs with a lower training content were more likely to leave;

• trainees who experienced problems in their work but received no help were more likely to leave, while those who received help from a supervisor or colleague were as likely to remain as those who had no problems at all; and

• those who were shown how to do their work by a supervisor or colleague were more likely to complete a scheme placement than either those who had done that kind of work before or those who had picked up the task on the job.

While these are helpful clues, they are not sufficient either theoretically or as a basis for policy decisions for several reasons:

• The lesser success of long-term unemployed people leads to no clear policy conclusion. It would be counter to basic scheme objectives to improve scheme performance by decreasing the participation of the lesser educated or long-term unemployed. More useful would be to discover why such young people were more likely to separate from their jobs.

• Similarly, it would be important to know why some unemployed people lacked punctuality or suffered absenteeism.

• Further, what was it about training that was important in increasing scheme completion rates? Was it the training imparted, or was it the personal involvement of existing staff with the trainee? That the latter alternative may be true is suggested by the findings:

  o that the rate of completion of those participants who received help with their problems from supervisors or colleagues was considerably improved; and

  o that the rate of scheme completion was much higher among participants who were shown how to do their work by others in the workplace than among those who learned their work through other means.
The data gathered in the SYETP evaluation did not permit further exploration of these questions, and did not provide answers which could improve SYETP program policy and reverse the unhappy results of the scheme for many of its more disadvantaged participants. There was no theoretical approach developed to the problem of scheme separation and, as a consequence, insufficient explanation to guide intervention.

The evaluation did turn up some suggestive clues which turned on the trainees’ prior duration of unemployment, their absenteeism, poor punctuality, and personal problems with others in the workplace. It seemed that these clues might be connected. Perhaps in the experience of prolonged unemployment lay the cause of absenteeism, lack of punctuality and an inability to get on with others in the work environment. There might indeed be a ‘culture of unemployment’ - a pattern of personal habits and responses formed in the common experience of prolonged unemployment. The question why long-term unemployed participants quit job creation schemes might be reconceived as a problem of cultural adaptation. During a prolonged period of unemployment the destructive effects of enforced idleness and removal from the structures and relations of the workplace might themselves become habitual - part of a new, stable, cultural reality, which hinders the adjustment of the unemployed to the demands of the workplace.

Those factors which enhanced completion in the SYETP evaluation - training, help from a supervisor or colleague, being shown how to do the job - could be seen as factors which help the participant to settle into the working environment: an environment which might, after all, be new and strange, and make unanticipated demands on the personal and cultural resources of the unemployed. Upon the return to work the unemployed must adapt to a formal time structure, to an hierarchical organisation in the workplace, and to predominantly impersonal relations with colleagues.

These reflections suggested a set of related propositions which could be tested in a longitudinal survey of trainees:

- The cultural world of unemployment is distinct from that of working.
- Persons moving between states of unemployment and working will experience problems of cultural adjustment.
- The more evident the culture of unemployment, the more likely it is that the trainee will separate from employment. Conversely, the less evident the culture of unemployment, the less likely it is that the trainee will leave employment.
The greater the provision of structures which mediate the culture of work to those who were unemployed (help from supervisors or colleagues, flexible working conditions, existence of welfare officers, training courses) the greater is the retention in employment.

However, the co-operation of the Commonwealth Employment Service (CES) is required to enable the identification of a suitable sample of trainees before they had begin their job placements. To date the CES has withheld permission for the local offices to cooperate in such research in order to protect client confidentiality. Consequently, my present focus is less on theory testing and more on theory generation. The practical question with which I began - why do trainees quit wage subsidy schemes? - has become a concern to understand the life of long-term unemployment as it contrasts with the life of working, and theoretically to understand, as a process of cultural adaptation, the experiences of those who move between them. Unfortunately much of the existing literature has not proved helpful in attempts to conceive of labour force status changes as processes of cultural adaptation.

In this thesis I do not wish to join the debate concerning possible effects of unemployment such as mental pathology, suicide, illness, or crime and delinquency. Not only does long-term unemployment affect comparatively few of those who become unemployed but effects such as these affect comparatively few of the long-term unemployed. While there are exceptions (such as the Canberra-based study of the mental health of the unemployed by Finlay-Jones and Eckhardt, 1982), many of the pronouncements on these effects of unemployment have been made on the basis of small, available-sample studies of the unemployed lacking in control groups, or with reference to national-level correlations between unemployment rates and crime or suicide rates. The former studies are unable to discover whether unemployment is the cause or the consequence of delinquency, crime, mental illness or ill health; while the latter lack the control of extraneous variables necessary to forming firm conclusions (compare Stromback, 1983: 6, 25).

While ill health, suicide or crime must be admitted as real consequences of unemployment for some, there has been a concentration in the media and elsewhere on such sensational aspects of unemployment which is out of proportion with their social-structural importance. As a result, more pervasive and socially important aspects of the experience of prolonged unemployment which are less dramatic in their results have been neglected both in the press and in academic study. As Stromback (1983: 1) has noted, it does little for the cause of the unemployed to link unemployment with crime or pathology. It is both theoretically and practically
more important to draw attention to more structural concomitants of the unemployment experience which affect in some measure the lives of all of the long-term unemployed.

It is a commonplace which forms the second pivotal idea of this thesis that unemployment is the absence of paid work. It follows that the experience of unemployment must in a large part be circumscribed by the absence of those structures and relations that work commonly provides. Consequently if the cultural experience of unemployment is addressed as a problem for research, the culture of working must also be subjected to close scrutiny.

1.3. The transition to the new social organisation of labour

The system of wage labour and its culture which now exist are not natural to human productive activity but are historically contingent. They have been the cause of the most far-reaching conflict between the new capitalists and the equally new industrial working classes. The conflict between these cultures - as rural workers displaced from agriculture by the mechanisation of farming migrated to the cities to become part of the new proletarian labour force - in many ways parallels the misunderstandings between unemployed people who enter work after a prolonged absence, and their employers.

Before the technological environment loosed us from the immediate necessities of nature, nature's demands regulated time. Thompson talks about the notation of time in such settings as 'task-orientation' (1967: 60).

It is well known that among primitive peoples the measurement of time is commonly related to familiar processes in the cycle of work or of domestic chores. (Thompson, 1967: 58)

Thompson (1967: 71-72) presents some extracts from the diary of one methodical farming weaver - Cornelius Ashworth of Wheatley - which indicates the variety of tasks in which a skilled artisan might be engaged in 1782-3. Alongside his weaving he reported seasonal employment in harvesting and threshing, ditching and gardening, jobbing with a horse and cart, picking cherries, as well as working on a mill dam. Thompson quotes the following entries:

January 18, 1783: I was employed in preparing a Calf stall & Fetching the Tops of three Plain Trees home which grew in the Lane and was that day cut down and & sold to John Blagbrough.

January 21st: Wove 2 3/4 yards the Cow having calved she required much attendance.
Thompson comments:

The work pattern was one of alternate bouts of intense labour and of idleness, wherever men were in control of their own working lives. (The pattern still exists among some self-employed... today, and provokes the question whether it is not a 'natural' human work-rhythm). (1967: 73)

Certainly the literature on unemployment shows how regular time-patterns may be lost when an individual is cut off from the great socialising, regulating institutions of school or work. Within task orientation there was little demarcation between 'work' and 'life':

Social intercourse and labour are intermingled - the working-day lengthens or contracts according to the task - and there is no great sense of conflict between labour and 'passing the time of day'... to men accustomed to labour timed by the clock, this attitude to labour appears to be wasteful and lacking in urgency. (Thompson, 1967: 60)

Even during the early development of industry, labour patterns were still characteristically irregular.

... in so far as manufacturing industry remained conducted upon a domestic or small workshop scale... task orientation was still prevalent... Within the general demands of the week's or fortnight's tasks - the piece of cloth, so many nails or pairs of shoes - the working day might be lengthened or shortened. (Thompson, 1967: 70-71)

It appears that task-time remained for a long time the preserve of labourers, artisans, rural workers and domestic workers; while clock-time was the time of the city, of commerce, and of the factory.

The criticisms by employers of British workers parallel the common criticism by employers of the long-term unemployed. A major difficulty expressed by employers in the early factory system was

... in training human beings to renounce their desultory habits of work, and to identify themselves with the unvarying regularity of the complex automaton. (Andrew Ure, Philosophy of Manufactures, 1835; in Kumar, 1979/80: 15)

The work habits of the new industrial labour force appeared to the employer to be undisciplined, desultory, even mischievous. John Houghton, in 1681, indignantly wrote:

When the frame-work knitters or makers of silk stockings had a great price for their work, they have been observed seldom to work on Mondays and Tuesdays but to spend most of their time at the ale-house or nine-pins... The weavers, 'tis common for them to be drunk Monday, have their headache on Tuesday, and their tools out of order on Wednesday. (Thompson, 1967: 72; quoting J. Houghton, Collection of Letters, London, 1683 edn: 177)
By contrast the new industrial work required steady application, time-discipline and punctuality in place of irregular bouts of work; repetition of standard actions in the reproduction of standard units in the place of the craftsman's individual touch; and the care of the owner's machinery rather than pride in one's own tools. These changes did not come easily to the new labour force and were often resisted. Pollard notes that absenteeism, a practical evidence of worker discontent with the new work arrangements, was exceedingly high:

Attendance was irregular, and the complaint of Edward Cave, in the very earliest days of industrialisation, was later echoed by many others: 'I have not half my people come to work today, and I have no great fascination in the prospect I have to put myself in the power of such people.' Cotton spinners would stay away without notice and send for their wages at the end of the week, and one of the most enlightened firms... regularly replaced spinners who had not turned up within two or three hours of starting-time on Mondays, on the reasonable presumption that they had left the firm: their average labour turnover was... about one hundred per cent a year. (Pollard, 1965: 181-82)

It is an historical conjuncture that has led to continuing academic debate about the origins of industrial capitalism that, at the same time as the introduction of the new technologies and the new social organisation of work demanded of the worker a dedication to the rhythms of the machine, denied the worker the exercise of craft and skill, and removed from the worker the control of the finished product; the ethics of delayed gratification, self-help, and the moral duty to labour were being espoused. Not only was a worker's social standing, moral position and personal identity increasingly defined by his *work*, but his work became defined by his *job* in the formal economy (compare Kumar, 1979/80: 13).

Three themes important to an understanding of modern unemployment may be drawn from this necessarily brief sketch of changes in the social organisation of work. First, the comparison of the older, 'task-oriented' work with the new social organisation of labour demonstrates at once the cultural relativity of modern work patterns. The review of pre-industrial patterns of labour, and the conflict that arose between the new urban proletariat and factory owners, reminds us how far we have come to habituation in work disciplines which are novel both in history and to geographic regions; and which may not, therefore, be seen as *natural* to human labour. Rather they must be learnt. By extension today's workers, when removed for a considerable time from the disciplines of work, may unlearn them and subsequently may experience as much difficulty in becoming reconciled to them as was experienced by the new proletariat of industrialising Britain. These parallels are suggestive of an interesting essay which, unfortunately, can not be further developed here.
Second, the comparison of modern work with that which predated it serves to introduce a summary of the essential culture and social functions of work in industrial capitalism which is extended in Chapter 3.

Third, not only did industrialisation create the new role of wage labour, but by the excision of only some kinds of activity from the home to the workplace it created other new, specialised roles in ‘student’, ‘housewife’, and ‘retired’; and also created the preconditions for the modern unemployment of able-bodied workers.

1.4. New roles in the social relations of production, and some definitions

According to the foregoing review, the industrial revolution undermined the domestic, task-oriented system of labour in which ‘work, family and leisure life were all of a piece, performed as an undifferentiated whole’ (Kumar, 1979/80: 13). New work arrangements have created new distinctions. Technical changes together with rural-urban migration took paid work out of the home and into the factory or office setting, creating physical disjunctures between work and leisure, work and life, which also now demand a conceptual distinction.

The social organisation of labour in industrial capitalism further requires employment to be distinguished from work. Employment occurs when individuals receive wages or salaries for their labour. Employment is thus a subset of ‘work’ based on a relationship of exchange.

Work, on the other hand, is an activity. Work can be performed inside or outside the employment relationship. Thus housework, child care, voluntary work and educational study may be seen as work... (Finlay-Jones and Eckhardt, 1982: 10)

Just as ‘work’ and ‘employment’ must be distinguished, parallel and equally important theoretical distinctions must be made between unemployment and worklessness, and between unemployment and the other labour market roles outside of employment.

Unemployment should also be distinguished from worklessness. Unemployment is to be unwillingly outside the employment exchange relationship while worklessness is to be without activity. The unemployed need not be entirely idle, but might be occupied with alternative activities which they adopt for the time being, such as housework, childrearing, home maintenance or craft activities. Equally, the idle or workless might be sick, invalided or retired, and not unemployed at all. Unemployment may or may not lead to worklessness, and the workless may or may not be unemployed.
Work outside of ‘employment’ has become devalued as materially unproductive. Not only did the new relations of production create the wage labourer but, where ‘work’ came to mean ‘job’, new roles outside of ‘work’ were also created by industrial capitalism. Each of the roles - ‘housewife’, ‘retired’ and ‘student’, were not only created by the new organisation of work, but can themselves be seen as specific roles within the new social relations of production. All work which was not directly productive to the employer came to be placed outside of the wage-for-labour exchange relationship. As employment was ‘freed’ from the home, so the male employee was freed from the physical maintenance of his own life, health and comfort (the role of housework), as well as from apparently unproductive educative processes which were nevertheless required for the skilled participation of the worker in employment (the role of schooling). Further, retirement became mandatory when the worker’s productive capacity ceased to exceed wages paid. The new social relations of production not only created new roles in employment, retirement, study and housework, but also created for the first time in history the preconditions for the long-term unemployment of willing and able-bodied workers.

A difficulty in the study of long-term unemployment is to distinguish the long-term unemployed from those in roles such as ‘housewife’ or ‘retired’; or who have otherwise left the labour force. As the duration of an individual’s unemployment lengthens it becomes more contentious whether they are ‘unemployed’ in any meaningful sense. Bouts of active jobsearch may become infrequent and finally cease. The jobless may still want a job but wait more passively for opportunities to present themselves, or wait for the economy to improve. The degree of desperation with which they view their search for work may be expected to lessen as the jobless become more reconciled to unemployment. Alternative activities such as child-rearing, community involvement or craftwork may increasingly take their attention. At what point should individuals be considered to be no longer unemployed but to have left the labour force?

The ABS measure contains a very simple test: if an individual has not actively looked for work in one of a prescribed number of ways during the four weeks up to the survey date then he or she is considered to have left the labour force. However, this definition is not ideal for the purposes of social research or social policy. The same individual may continue to want a job, to be willing to supply his or her labour, to draw the dole, to be in need of retraining programs, and to utilise other government and non-government services for the unemployed or disadvantaged. A view to social policy necessitates that measurement of long-term unemployment errs on the side of inclusion rather than exclusion. Indeed, even if workers
ultimately become reconciled to their unemployment and take on activities other than wage labour, the considerable social costs which this implies ought to be attributed as a cost of unemployment.

There may not be enough jobs to go around for a good while. Indeed, in recent years '... there has been a quantum leap in technological development which means that fewer and fewer people will be required to do less and less work' (Seabrook, 1981: 14-15). The social and political implications of a society with growing long-term unemployment in an otherwise prosperous and developed society is a problem of the first magnitude. In this environment, understanding the experience of unemployment as a way of life is not only an important task within social theory but is an endeavour which promises to make a difference to social priorities for change.
Chapter 2
The Transition to Unemployment: a Review

2.1. Introduction

As recently as 1979 Hyman accurately sub-titled an article concerned with the psychological consequences of unemployment ‘... a neglected problem in modern social research’ (Hyman, 1979). The period of economic boom that accompanied the outbreak of World War II and continued into the early 'seventies resulted in a loss of interest in the field. In the eight years since Hyman’s assertion work in the area has grown consonant with growth in unemployment in many countries. His charge is no longer apposite. The literature on the social and personal effects of unemployment now comes from two distinct periods: the depression period of the 1930's and the more recent period of international recession beginning in the mid 'seventies.

The purpose of this literature review is not only to describe the existing research, it is also to draw together the evidence so far amassed and to question whether it is open to a coherent, theoretical explanation. This chapter indicates some directions but the serious business of theory construction is largely left to Chapter 3. A further, major goal of this review is to examine the questions which have so far been addressed for their overall direction, social importance, and omissions. I argue below that important questions concerning the social and personal impact of unemployment remain not only unanswered but largely unaddressed. Much of the existing psychological literature has been written under titles including the phrases ‘the social consequences of unemployment’ or ‘the culture of unemployment’. On examination the largest part of this work proves to be concerned with a more limited question - the negative psychological impact of unemployment on the individual.

Three major questions may be distinguished which have been addressed in the recent literature on the transition from school or work to unemployment:

- What kinds of personal characteristics lessen or aggravate the stress or distress suffered by individuals who are unemployed?
• Does unemployment cause psychic distress? and

• What are the stages of adjustment through which an individual moves in response to lengthening unemployment?

In this chapter I undertake a review of these three areas of research in turn. I examine their theoretical arguments or assumptions, moving from those studies in which theory is more absent than present to those in which a theoretical argument is proposed.

A more anthropological or sociographic body of work is also available exploring the personal responses of the workless to their unemployment. While this work is most valuable in understanding the life of unemployment I have used it mainly in Chapter 3 to assist in theory construction. These works lend themselves to such use. While they are notable for their primary documentation they do not engage in theory building because of their concern to let the common-sense interpretations of the unemployed speak for themselves.

2.2. Those most likely to suffer

The identification of those most likely to suffer in unemployment is methodologically the most simple of the questions addressed, since it requires neither a control group nor a longitudinal design. Where researchers only have a static group comparison of the unemployed available to them, this research question offers itself as one capable of resolution.

The dominant approach to analysis in this literature has been multivariate, using a single dependent variable. Dependent variables chosen have predominantly been psychological scales measuring various aspects of personal stress or distress such as ‘self-satisfaction’ (Cohn, 1978), ‘self-esteem’ (Hartley, 1980), ‘present life satisfaction’ (Hepworth, 1980) or ‘stress’ and ‘life satisfaction’ (O'Brien and Kabanoff, 1979). Independent variables which have been tested for their impact on the personal stress or distress of the unemployed have largely been limited to the personal characteristics of the respondents, such as age, sex, marital status, level of education, or previous occupational status.

Within this body of research there are very few disagreements about findings. Hakim (1982) has previously reviewed the literature concerning factors predisposing the unemployed to distress. She reports that the impact of job loss is generally greater for:
• men rather than women
• older rather than younger persons (although this is not a linear relationship - very young and older persons are least affected, while those in the prime of their working lives, aged 40-55, are the most affected);
• married rather than single men;
• single rather than married women; and

Hepworth (1980: 139) has argued that the findings with regard to occupational status are conflicting:

Marsden and Duff (1975) reported that less skilled workers found the experience of unemployment more arduous than others, whereas Hill (1977) concluded that those men with a firmly established occupational identity... would be more likely to find the loss of a job traumatic. (Hepworth, 1980: 139)

This apparent contradiction seems to depend on Hepworth’s confusion of ‘occupational identity’ and ‘skill level’, which could be regarded as distinct independent variables. Those with a higher skill level do not necessarily identify more strongly with a particular occupation. Hepworth concluded from her own research:

...the present study suggests that those men without a trade - the unskilled and semi-skilled - suffer more during unemployment than those with one. (Hepworth, 1980: 143)

She also found that the duration of unemployment was negatively correlated with subjective wellbeing (Hepworth, 1980: 143). Hartley, in her research on unemployed managers, found to the contrary. The relationship between unemployment duration and depression may not be a simple linear one. That is, the very long-term unemployed may finally adapt to their unemployment, so that the medium term of unemployment is found to be the most traumatic for the subject (this argument is extended below.)

Cohn (1978), measuring the satisfaction with self of the unemployed, like Hakim and Hepworth noted that unskilled, blue collar workers had lower self-satisfaction in unemployment than did other workers, and adds to the list of observations that

• women without children suffered reduced self-satisfaction after becoming unemployed, but women who had children did not; and
unemployed people were more dissatisfied with themselves if they lived in an area where unemployment was low.

Cohn had a different explanation for each of these findings:

- white collar workers, he argued, have built up a store of previous 'attainments' on which their self-satisfaction is based;
- women with children have an alternative role - that of 'mother', which moderates their experience of unemployment; and
- an indicator of the external cause of unemployment is available to the individual in the high unemployment area (Cohn, 1978: XX).

Cohn, like Hepworth, did not produce a more unified theoretical explanation for the documented pattern of personal responses to unemployment.

Perhaps because the identification of predisposing or moderating factors in unemployment distress requires only a single cross-sectional sample of the unemployed, it appears to be the most rapidly growing area of research into the 'social effects of unemployment'. While the number of studies in this area have grown considerably, theoretical understanding of unemployment has not grown commensurately. In the literature reviewed above, common demographic variables have been entered into regressions without any theory about how they might be related to stress in unemployment. Multivariate analysts appear to have elevated their methodology to the status of a theory. Unfortunately entering available variables into a regression analysis will not lead, most of the time, to useful or new knowledge. A regression analysis which is not informed by a theory will only use 'variables' which have been gleaned from the existing literature, or which are readily available. However theoretical explanation is necessary not only to the understanding of a phenomenon, but to knowledge of a status sufficient to guide any attempt sensibly to intervene with social policies.

More recently some writers have introduced, as theory, speculation about the possible influence of single variables which they expect will discriminate strongly between those unemployed who are distressed and those who are not. The authors of these studies again describe those most susceptible to a negative experience of unemployment but do not address the more theoretical question why the variables selected should have an impact on the experience of unemployment. These studies are best characterised as one-variable hunches. While they are theoretically limited they do stimulate theoretical speculation. From the pattern of responses that she outlined Hakim concluded that:

It would appear that the severity of the psychological consequences of job loss is determined by the degree of attachment to paid employment and/or occupation as a central focus of personal identity. (Hakim, 1982: 449)
This relationship between work attachment and distress was already noted by Bakke (1933: 71) in his observations of the unemployed during the Depression:

"... amongst the men with whom I associated for several months ... the most ambitious lost heart more quickly. The quality that on the job leads to rapid achievement of greater satisfaction, off the job, leads to rapid retreat into hopelessness and discontent, despair and even sullenness. The incentive to work hard, the desire to push ahead, the ambition to perfect one's technique, these are basic qualities that make it hardest for a man to be out of work."

Hakim's formulation concerning work attachment is a useful initial statement which appears to draw together much of the available evidence. Men, particularly men in their middle years, might be presumed to have a stronger attachment to their work than women do, and thus to experience greater distress upon the loss of employment. Similarly, unmarried women are primary breadwinners, while married females might be thought sometimes to regard themselves as secondary earners and to have a lower labour force attachment, again leading to a lesser distress in unemployment.

This line of argument has received some confirmation in a very well conducted British study of young workers, which was longitudinal and contained groups both of the employed and unemployed. Jackson et al (1983) set out to examine the role of 'employment commitment' in moderating the psychological distress of young unemployed people. They define this variable as the degree to which a person wants to be engaged in paid employment (Jackson et al, 1983: 525). This variable proved to be significant in moderating the psychological distress of the young unemployed not only in a crosssectional comparison but in a longitudinal comparison of the same individuals as they moved into unemployment.

However, this argument is sociologically incomplete. Employment commitment and personal distress are strongly related because distress in unemployment is concommitant with a loss - a loss which will obviously be greater for those who had greater attachment to the lost employment. It is important therefore to discover what it is that determines employment commitment. Psychology, often confined to the study of personal effects rather than of social causes, is not the discipline best placed to undertake the search for more underlying, social causes both of the former employment commitment and the current distress of the unemployed.

There are two further 'one-variable hunches' within the body of literature under review which can not be explained by employment commitment, that may indicate an alternative direction for theoretical exploration. Firstly, Hepworth (1980:
139) has reported that

... whether or not a man could occupy his time was found to be the best single predictor of mental health, in a multiple regression analysis with GHQ (general mental health as measured by the General Health Questionnaire) as the dependent variable...

Further,

This activity variable was positively correlated with occupational status... (Hepworth, 1980: 143-144),
suggesting that unemployed men from more skilled occupations are the more resourceful in finding alternative activities to paid labour during their unemployment. Hepworth's conclusions are based on an available sample of the unemployed obtained by approaching people at an unemployment benefits office. She estimates (having kept no figures) that the refusal rate was less than 50 per cent. She did not compare her haphazard sample with the whole population of beneficiaries, so we do not have any indication of the representativeness of her sample. Nevertheless her findings are suggestive.

Secondly, in their important book Hayes and Nutman have summarised British research which illustrates the lesser trauma in the unemployment experience of those living in areas of high unemployment (1981: 54). The mediating effect of a high local concentration of unemployment was also noted by Cohn in a study that was methodologically scrupulous. Similar effects were observed in Britain during the Depression fifty years earlier, which was characterised by very high concentrations of unemployment. Travers (1983b: 17-18) has described this research:

The literature of the 1930's shows a very consistent picture of the process of shock-anxiety-apathy. There is, however, one exception ... the men who lived in the very worst slum areas covered by two of the major British surveys. Writing of the chronically unemployed from the slum districts, the Carnegie Trust said, 'It is hard to say what the effect of unemployment on the young unskilled worker with such a home background has been, because his industrial life from the beginning was more attuned to unemployment than employment' (Carnegie Trust, 1943: 80) ... The Pilgrim Trust ... noted the striking contrast between the taken-for-granted nature of unemployment in the slums, and the furtive and anxious demeanor of the handful of unemployed men living in the new housing estates of Liverpool (Pilgrim Trust, 1936: 92).

A similar observation has been made of the young unemployed of today. In an article also referred to by Peter Travers in his review, Roberts, Noble and Duggan have observed:

Many specialist youth and career workers recently appointed to minister to the young unemployed, who ventured forth expecting to find morale sagging and self-concepts in tatters, have found it impossible to enact their anticipated roles... Today's young unemployed often fail to react as the
classic theories say they should. To understand this obstinacy, the first point to grasp is the extent to which unemployment is normal and accepted in the communities where the jobless young are clustered. (Roberts, Noble and Duggan, 1982: 193)

The moderating effects neither of alternative activity nor of high local unemployment can be explained by the 'work attachment' theory put forward independently by Hakim (1982) and by Jackson et al (1983). Particularly the latter indicates attention towards a broader sociological explanation, in which the personal experiences of the unemployed arise not from the individual psyche, but are viewed as given by the relationship of the unemployed to broader social patterns. This approach is developed in Chapter 3.

To the sociologist with an eye on history the attempt to establish a coherent and universal pattern of factors predisposing the unemployed individual to distress is fundamentally misconceived. Regression analyses on the effects of unemployment have been run without the recognition that the results are contingent upon the respondent's location in industrial society and in a particular social milieu. By using as independent variables a number of characteristics of the unemployed person - age, sex, marital status, previous occupational status, and the like - the impression is given that these somehow cause the distress experienced by unemployed people. It is failed to be drawn out that it is something about the social experience of unemployment itself that may be responsible for these negative effects. What it is about unemployment that causes distress has not been examined empirically in this literature.

Not only is there no theoretical conclusion satisfying to the sociologist in the question of 'mediating factors' as it has so far been approached, but there is little relevance in it for social policy. To know, for instance, that unemployed family men are among the more distressed in unemployment does not lead to any plan for lessening the distress of the unemployed. First, we have to find out why unemployed family men are among the more distressed. As argued above, theoretical understanding is required for sensible intervention.

Methodologically the question of predisposing factors in unemployment distress presupposes that unemployment does in fact cause distress. If unemployment does not cause distress then those factors which have appeared to moderate the experience of distress in unemployment may not be related to unemployment distress, but to stress, self-esteem or distress in themselves. Thus both employed and unemployed people alike might suffer greater distress if they were males aged 35 to 45, or have a strong work attachment. The following section of this chapter gives no cause for taking it for granted at all that unemployment causes distress.
2.3. In the scales of distress: the unemployed and the wage labourer

A second major question addressed in the psychological literature on the life of unemployment is whether unemployment causes depression or other undesirable psychological states. Methodologically this question is far more complex than the preceding concern. It requires not only a control group of workers, but a before-after design.

Only a before-after research design can determine whether unemployment causes, for example, personal depression, or whether it is the initially depressed who subsequently become unemployed. (Tiggemann and Winefield, 1980: 269)

However a number of the studies which address this research question lack a before-after design, because of the difficulty of sampling a large enough population of workers to generate a sufficient pool of unemployed individuals by the time of the post-test. Those studies based on a static group comparison of workers and the unemployed can not make any causal inference, and consequently must be understood to address a somewhat different question: are the unemployed more, or less, depressed than a comparable group of workers.

Because the employed and the unemployed are compared in this literature, no single dependent variable has commonly been used. This research question has led to exploration of a more diverse set of variables. Again, studies have addressed mainly psychological variables, including stress and present life satisfaction (O’Brien and Kabanoff, 1979); self-esteem (Hartley, 1980); and depression (Tiggemann and Winefield, 1980). But the boredom, loneliness, isolation and external control orientation of the unemployed and the employed have also been compared in these studies.

In an Australian static group comparison, O’Brien and Kabanoff (1979: 143) report that the employed and the unemployed did not differ significantly in stress or life satisfaction. Hartley, in a comparison of employed and unemployed managers (1980), found that her data similarly failed to support a hypothesis of lowered self-esteem among the unemployed. While Hartley regretted the lack of a before-after design she re-interviewed the unemployed managers six to ten weeks after the initial interview, as well as comparing the self-esteem of longer and shorter-term unemployed managers at a point in time. Her expectation was that if unemployment reduces self-esteem, longer unemployment should more greatly reduce self-esteem. She found to the contrary:

...self-esteem was not lower amongst the unemployed managers and did not decline with longer unemployment. (Hartley, 1980: 147)
Hartley discovered greater within-group than between-group variation in self-esteem and found no significant differences between the employed and unemployed managers. Current duration of unemployment was not correlated with self-esteem (1980: 149-150). Hartley argues that our society so values work that it can hardly think it away without expecting calamitous consequences:

A recognition of societal values may lead to scrutiny of the idea that lack of work per se is psychologically harmful to the individual. (1980: 153)

By contrast, in a very thorough Australian study of school leavers, unemployment was found to cause a number of undesirable effects. Tiggemann and Winefield (1980) interviewed 118 intending school leavers while they were still at school and again seven months later when some had become workers and others unemployed. They achieved the before-after design with a quasi-control group necessary for causal inference, although the small group studied raises a question mark about how widely their results can be generalised. The unemployed school leavers rated themselves as very much more bored, lonely, less satisfied with themselves and less happy than they had reported themselves to be before becoming unemployed. In general these changes were not shared by the employed except that they also became somewhat more depressed following their experience of work (Tiggemann and Winefield, 1980: 273-74).

Hayman reports research in which individuals who had been unemployed for at least one month in the previous ten years were compared in outlook on life with individuals who had no previous history of unemployment. He concluded that there was a large and consistent difference in outlook:

... unemployment is not forgotten with the passage of time and can lead to a misanthropic view of society and a pessimistic view of life... (Hayman, 1979: 290)

Hayes and Nutman have drawn together further research on satisfaction in work and unemployment (1981: 58). They report that Saleh and Otis (1963) found that workers who had intrinsic work satisfaction looked less favourably on retirement. Apparently conclusions from this research are not uniform.

Variables other than depression and self-esteem have been examined in the literature under review. Linda Viney has written extensively on the use of content analysis in psychological evaluation. She conducted research in which responses of unemployed people to an open-ended questionnaire about current experiences were content analysed and compared to those of a sample of employed people. Her purpose was more to discover a pattern or syndrome of effects than to test causal
relationships. The 'sample' of unemployed persons was obtained by a psychologist stationed outside the CES. The 'sample' were the first hundred people who agreed to participate. Fifteen per cent of the people she approached refused. While Viney accepts that this fifteen per cent may have been systematically different from the respondents, she does not canvass the methodological problems inherent in 'street-corner' sampling. For instance only a certain type of active job seeker goes to the CES at all. Furthermore her work is crosssectional and can not lead to causal inference. She found that unemployed people expressed more anxiety, depression, anger, helplessness, alienation, guilt, shame and loneliness than the workers (Viney, 1981: i). Similarly Tiggemann and Winefield, using a more orthodox methodology, found that unemployed school leavers rated themselves as very much more bored and lonely than did the employed youths.

In summary, Hartley argued from her evidence that unemployment per se is not necessarily harmful to the individual (1980: 153). The evidence cited by Hayes and Nutman seems to support her argument, while Tiggemann and Winefield provide strong Australian evidence to the contrary which is corroborated in some measure by the less rigorous work of Viney.

While the question would appear to remain open, the research question itself may be open to criticism on a number of grounds. The research question 'does unemployment cause distress?' may not be capable of empirical resolution at all. The search for universals has as little usefulness here as in the literature previously reviewed. Whether or not unemployment causes distress is not a question that can be answered for all persons at all times, but only for groups of individuals, with reference not only to their individual desires and motivations but to their social milieu. While it is no doubt true that unemployment causes distress in some individuals or groups, does it generally cause distress? This question, as has been noted, requires a control group of workers for its solution. The kind of inference which can be drawn from the use of a control group of workers is problematic. The use of workers as a control tends to assume that workers constitute a zero value for the dependent variables, so that the unemployed alone receive a 'treatment' which might cause distress. While unemployment is seen as aberrant, wage labour must be regarded as normal and healthy for the individual. The equivocal findings from the research described above do not permit such a conclusion. Through the comparison of the unemployed with a control group the research question is subtly but importantly redefined. A comparison with workers can not establish whether unemployment is psychologically harmful to the individual in some absolute way but only whether it is more or less harmful than the
employment undertaken by the control group. The comparison with workers invites relative, not absolute judgements about the social effects of unemployment. Rather than the bald assertion that unemployment causes personal distress, research is capable only of demonstrating that some unemployed people are on average more depressed than a group of somewhat similar workers as an apparent result of becoming unemployed. While this conclusion might point to unemployment as a priority for social action it is of little overall value to discover that unemployed people are either more or less distressed on average than are a control group of employed persons. It is enough to know that some unemployed people are acutely distressed by their unemployment. Technically refined surveys which ask the unemployed questions of only tangential relevance to themselves are not necessary to arrive at this conclusion. More importantly if some wage labourers are similarly distressed by the conditions of their labour, this does not reduce the distress of the unemployed. It only indicates a further social problem requiring amelioration.

Further, it is possible that it is change itself rather than the experience of unemployment which is responsible for the measured depression or lowered self-esteem of the unemployed. A before-after study of those leaving unemployment to take up work might conceivably also discover increased depression and lowered self-esteem. Some evidence for this proposition is presented in Chapter 4.

Finally, in the work reviewed so far unemployment has tended to be viewed as an homogeneous explanatory variable. It is unemployment in general that is understood to cause depression, loneliness, or lowered self-esteem. The literature is largely silent concerning what it is about unemployment that causes such effects. Thus boredom has not been related to the inactivity characteristic of unemployment in a culture in which jobs are owned by companies large and small rather than by workers. The loneliness of the unemployed has not been related to the role of employment in structuring social relations. The following review addresses a theory that does draw such a relationship between the objective relations in which unemployed people live, and their subjective experience of unemployment.

2.4. Learned helplessness and the locus of control

A major public approach to unemployment still appears to be through an ideology of self-help - anyone can get a job if they really want one. Many people seem to know someone who was unemployed and who ‘walked into a job’. While their observation may be true, this does not necessarily support the ideology of self-help. Chapter 1 outlined that much unemployment is characterised by turnover. While the long-term jobless form a substantial proportion of all those unemployed at
a given time, they form a much smaller proportion of all those who become unemployed during the year. Furthermore, long-term unemployment is regionally and industrially concentrated. Consequently, we really are all more likely to know someone who had no trouble finding work than we are to know a long-term unemployed person. This does not detract from the fact that for many of the long-term unemployed there appears to be little that they can do to help themselves. Works documenting conversations with the unemployed abound with descriptions of dogged perseverance in jobsearch despite many failures. Anecdotes on either side, however, do not prove a case. Certainly it is questionable whether unemployed individuals all have the ability to help themselves in the face of regional economic recession, job shortage or employer preferences.

Following on such reflections, a promising theoretical account of the psychological reaction to unemployment has been attempted through Seligman's theory of learned helplessness (Hayes and Nutman, 1981: 33 and Travers, 1983b: 19). Travers is conducting interesting research into the effects of unemployment in Australia. He is asking whether unemployment has lasting effects on those who undergo it, or whether the apparent disadvantages suffered by the unemployed are made up later in life. Rather than using a sample of the currently unemployed, Travers is collecting the life histories of those who did, and did not, become unemployed during the Depression of the 1930's. While this is interesting research, the Depression experience may not always be safely generalised to the current long-term unemployed. During the Depression unemployment was both more endemic and more recognised as beyond individual control, and was followed by a boom period of full employment resulting from the Second World War.

Nevertheless Travers' review of the literature is a useful one. Travers (1983b: 19) has explored learned helplessness theory as a possible explanation for the persistence (if indeed they persist) of the psychological effects of unemployment. Learned helplessness comes about through learning that there is nothing the subject can do to control or influence a given trauma or shock (Seligman, 1975: 27). Travers comments that it is not difficult to see why this theory is seen as offering much potential in understanding the classic reaction to unemployment.

There are a number of studies which have tested differences between the perceived helplessness of the employed and the unemployed. The variable used has been the 'external locus of control' of the individual - the degree to which the actor feels his or her life to be controlled by external forces rather than by the actor's own choices or actions. Searls, Braught and Miskimins, in a three-way crosssectional comparison of the unemployed, workers and foremen, concluded:
In regards to personality variables, the most striking differences were found between the unemployed and the other two groups. The unemployed felt more externally controlled... (Searls, Braught and Miskimins, 1974: 94)

Similarly, from their brief review of the literature O'Brien and Kabanoff (1979: 144) concluded:

A major effect of non-working appears to be a sense of powerlessness. When work is taken away and nothing substituted life is perceived as beyond personal control... the unemployed acquire an external locus of control where they tend to expect that things happen to them because of external forces, such as society, government, luck or fate rather than personal efforts or attributes.

The theory of learned helplessness has been refined since Seligman’s initial formulation.

... when a person finds that he is helpless, he asks why he is helpless. The causal attribution he makes then determines the generality and chronicity of his helplessness deficits as well as his later self-esteem. (Abramson, Seligman and Teasdale, 1978: 50, quoted in Travers, 1983b: 20)

The causal attribution made has been broken into three components:

- Does the subject perceive the cause of his or her helplessness to be stable or unstable: that is, will it endure or is it merely temporary?

- Does the subject blame internal or external causes: that is, are the causes of the subject’s helplessness seen by the subject as his or her fault, or as the fault of others or of anonymous structures?

- And finally, is the attribution made global or specific - is the experience of helplessness confined to one area of the person’s competence or is it generalised by the subject to all areas of life.

As Travers indicates,

The reformulated theory would predict that to the extent that attribution of causality is global, stable, and internal (e.g. ‘I can’t get a job because I am not clever enough’), then the helplessness experienced in one situation is likely to be generalised to other situations. (Travers, 1983b: 20)

On the other hand if the attribution were to the current recession, (specific, external, and unstable) the experience of helplessness in unemployment would not be expected to be generalised to other situations.

Rather than producing an analysis of the actual powerlessness of the unemployed person, this theory concentrates on the individual’s interpretations or perceptions of their helplessness and its causes. While this is also important, it is a subordinate question to that of the actual constraints experienced by the unemployed, and forms a secondary level of explanation. Travers argues that the
severity of the helplessness that is experienced depends on the degree of antipathy that is felt towards the unavoidable outcome. Travers refers again to the groups who were found to be exceptions to the expectation that the unemployed will suffer distress. He asserts that:

One of the features of their situation is precisely the lack of clear differentiation between their work and non-work situations. Neither work nor non-work is regarded as particularly desirable. (Travers, 1983b: 21)

Here Travers equates learned helplessness with the shock or trauma of becoming unemployed rather than with aspects of the concrete life situation of unemployment. Thus for Travers where unemployment presents no 'trauma' there would be no learned helplessness. By his concentration on the antipathy of the unemployed towards their unemployment, Travers places the cause of the unemployment experience squarely within the individual. He thus gives up the promise of learned helplessness as an explanatory theory concerned with the experience of unemployment - the insight that the helplessness of the unemployed might be related to objective constraints experienced by them in the course of their unemployment, and that it might be a rational response to an external predicament.

The 'external locus of control' variable, it should be noted, does not measure all that is taken up in the theory of learned helplessness but measures particularly the level of external attribution made by the individual. The external locus of control and learned helplessness literatures have somewhat opposing concerns. The revised learned helplessness theory is concerned with *internal* attributions which are more likely to be generalised to other life situations. The external locus of control variable measures the degree of *external* attribution made by the individual, equating this with the personal helplessness experienced. Of course these concerns are not necessarily contradictory. However, to the sociologist the latter is to be preferred because it leads more readily to the view that the experience of unemployment is not created by individual antipathies but by the structural constraints of unemployment on the individual's experience:

It would be expected that a workless person becomes more externally controlled because... he probably had no say in the cessation of his employment and has little say in re-employment... he is deprived of regular opportunities for working and obtaining rewards for his actions. (O'Brien and Kabanoff, 1979: 151)

The apparent passivity of many unemployed may often seem to show undesirable personal qualities of laziness, lack of initiative, lack of work ethic... However judgements of personal inadequacies generally fail to consider the effects of social structure and joblessness upon the unemployed's sense of personal control. (O'Brien and Kabanoff, 1979: 152)
The locus of control does not simply appear to the individual to be external, but to a large degree it really is external.

A concentration on the objective constraints which act upon the subject's experience of unemployment was evident in the work which issued from the 1930's Depression. In an interesting passage from the Carnegie Trust study of the 1940's its authors anticipate the theme of learned helplessness theory:

It has, perhaps, been assumed too readily by some that, because men are unemployed, their natural state of want and discontent must express itself in some revolutionary attitude. It can not be reiterated too often that unemployment is not an active state; its keynote is boredom - a continuous sense of boredom... [the unemployed youth] were not likely to believe that their own active participation in affairs would permanently affect an order of things that had already, in the most impressionable years of their lives, shown itself to be so powerful and so devastating. (Carnegie Trust, 1943: 78-79, quoted in Travers, 1983b: 17)

The relationship between objective conditions and subjective experience has, too often, been missed in the more recent psychological literature on the personal effects of unemployment. Learned helplessness theory and an examination of the external locus of control of unemployed individuals redress this omission to some degree. However, once the objective conditions of unemployment are recognised as the shapers of the unemployment experience, a much more complete description of the life of unemployment can be undertaken. What it is necessary to do, such reflection suggests, is to compare the objective constraints of unemployment with those of working; to establish what objective relations are lost and which gained; and to examine the impact of these forces on the unemployed individual. This project suggests a concern with more practical and fundamental aspects of unemployment as a way of life than are subsumed within the concerns of current research: stress, self-esteem or external locus of control. This is primarily a sociological question, since it is one which the concerns of psychology do not bring to the fore.

2.5. The cycle of adjustment to unemployment

The third major question in the literature concerning the transition from work or school to unemployment is 'what are the stages of adjustment through which an individual moves in response to lengthening unemployment?'. This question moves attention away from the search for universal, static psychological effects of unemployment, to the examination of a process. It recognises that the experience of those who are unemployed may differ with their duration of unemployment.

Travers (1983b: 16) has noted that there is a high degree of consensus in the
literature concerning the cycle of response to unemployment. During the 1930's, a common and apparently universal syndrome of reaction was identified:

...the classification of the unemployed by the early Marienthal study into unbroken, resigned, despairing and apathetic (Jahoda et al., 1972: 81) was found to be replicated again and again. (Travers, 1983b: 16)

This classification could also be viewed as a process. By the late 1930s Eisenberg and Lazarsfeld were able to assert:

We find that all writers who have described the course of unemployment seem to agree on the following points: First there is shock, which is followed by an active hunt for a job, during which the individual is still optimistic and unresigned; he still maintains an unbroken attitude. Second, when all efforts fail, the individual becomes pessimistic, anxious, and suffers active distress; this is the most crucial state of all. And third, the individual becomes fatalistic and adapts himself to his new state but with a narrower scope. He now has a broken attitude. (Eisenberg and Lazarsfeld, 1938: 378)

This descriptive model has been echoed in more recent research. Hayes and Nutman (1981) have reviewed several such models. They describe a transitional model composed of three phases proposed by Hill (1977, 1978), based on a study of unemployed people in London and Merseyside:

- The initial response is to deny that anything of drastic consequences has occurred, and to react with optimism to the new-found freedom: 'That's great, I can lie in in the morning, get up, sit down, go and wash the car and go for a little walk'. (Hill, 1978: 118; in Hayes and Nutman, 1981: 15)

- In the intermediate phase the individual starts a process of acceptance, but it is still in the terms of the reality lost. Individuals describe their condition as depression, boredom, and laziness. They feel understimulated and undervalued.

- In the third phase the individual settles down to unemployment: 'I've got adapted, but I didn't want to adapt. You could easily stay like that. I could be on the dole for the rest of my life' (Hill, 1978: 119; in Hayes and Nutman 1981: 15). The depression starts to lift, and the individual becomes increasingly adjusted to, and tolerant of, the life of unemployment. (in Hayes and Nutman, 1981: 14-15)

In contrast to the model proposed by Eisenberg and Lazarsfeld in 1938, this model ends with the adjustment of the unemployed rather than with apathy and fatalism. Arguably the apparent difference arises only from the evaluative positions of the authors. At the lowered level of activity of the long-term jobless, to the observer 'fatalism' and 'adjustment' might appear much the same. Both imply some acceptance of the life of continuing unemployment.
Hopson and Adams have presented a seven-phase model of adjustment which is rather more detailed than previous models, for instance distinguishing the initial shock reported by Eisenberg and Lazarsfeld and the optimism reported by Hill as separate phases in the cycle of adjustment. Their schema is not only based on unemployment but on transitions of several kinds, gleaned from the experiences of some one hundred people attending ‘transition workshops’:

1. Immobilisation is the first stage of transition in which the person, overwhelmed by the event, is unable to comprehend fully the change, to reason, or to plan even for the immediate future. The person is in a state of shock: ‘This can’t be happening to me’.

2. Minimisation of the change follows, involving a denial strategy. The subject attempts to behave as if the change either had not occurred or is a trivial change: ‘Great, it will give me time to fix the garden properly’.

3. Depression results from the realisation that the change is immutable and undeniable, and that alterations to the way of living will have to be made. Yet at this stage the person does not wish to alter his or her life, or know how to make such alterations.

4. Eventually the changed reality is accepted as the person begins to be freed from the assumptions of the former life.

5. The testing of new behaviour and assumptions follows, often within the framework of stereotypes and narrow definitions of what is permissible.

6. A broader search for meaning may ensue, a search for a new, more comprehensive and personal frame of reference.

7. If this is successful, finally a new role, new meanings and new assumptions may be internalised (Hopson and Adams, 1976: 13; in Hayes and Nutman, 1981: 11-12).

The several models of transition described above have in common a descriptive cycle of shock-distress-fatalism which is correlated in some way with the increasing duration of an individual’s unemployment. Contrary to the literature concerned with ‘moderating factors’, and to that comparing the distress of the employed and the unemployed, these descriptive models perceive that the nature of the unemployment experience is not uniform or homogeneous: that there is no one psychological state that describes all the unemployed. For instance those who are sampled during the ‘shock’ or ‘optimism’ stage and soon recover work would not be discovered by the researcher to be depressed. Similarly those who are interviewed during the ‘fatalism’ or ‘acceptance’ stage would not be found to be depressed. This observation should caution against generalisation of particular personal ‘effects of unemployment’ to all the unemployed.
The models of transition described above are descriptive models. They do not seek a cause, but describe a process. They function more as Weberian ideal types than as a causal axiomatic theory. Consequently neither are they open to falsification nor can they really be thought to contradict one another. Nevertheless they appear to be in remarkable agreement. The theoretical status of such models has not been understood by all commentators. Hopson and Adams rightly indicate that the progression through these 'stages' is not unilinear, and that perhaps they are not discrete 'stages' at all:

We want to make it clear that seldom, if ever, does a person move from phase to phase ... it is rather more likely that these representations are of general experience ... (Hopson and Adams, 1976: 13, in Hayes and Nutman, 1981: 10)

However, Hayes and Nutman (1981: 12) have commented that the 'relationship' - the descriptive model of adjustment - has not rigorously been tested.

Travers (1983b), in his review of this literature, has attempted to raise the theoretical status of these descriptive models by appealing to a more general model of transition. Travers has drawn attention to the similarity between the cycle of adjustment to unemployment and the process of mourning or grief:

...Lindemann identified stages in the normal pattern of mourning for a deceased person that bear a strong resemblance to the classic reaction to unemployment (Lindemann, 1944). Since that article, subsequent work has repeatedly confirmed a pattern of grief that takes the following course:

- denial and 'numbness';
- frustrated search for the lost person;
- anger;
- depression, apathy, 'giving up';

Travers describes further research with amputees (Parkes, 1972) and relocated slum dwellers (Fried, 1963) which produced similar transitional models to that of unemployment. Can the reaction of individuals to unemployment, he asks, be viewed as grief, as a process of mourning?

Certainly the parallels are suggestive. The differences, however, are also important. Travers has noted one important difference between the loss of work and the other losses to which he referred:
...for the unemployed, the crux of his dilemma is that he is not allowed by family, by the welfare system, and possibly by himself, to 'give up' in the sense of abandoning all attempts to find work. (Travers, 1983b: 22-3)

The successful resolution of grieving is more difficult for the unemployed than for those who are bereaved. Yet it is the grief reaction that does not give up in the face of irrevocable loss, reports Travers, that is to be regarded as pathological, since no transition to new plans and assumptions can take place (Travers, 1983b: 22).

He represents unemployment as an irreconcilable grief. He tends to forget that unemployment differs from immutable losses such as the death of a spouse. Especially during the first few months of unemployment it is most likely that employment will be gained or regained. It is realistic at this stage to maintain work values and routines, and to hope and strive for a speedy return to work. Where in the reaction to bereavement there may be an entirely hopeless search for the lost person, the search for work in the early months of unemployment may realistically be hopeful, and carry benefits for the individual. The valuable latent functions of this early jobsearch are to occupy time, maintain activity, provide a purpose, and maintain self-respect (Hayes and Nutman, 1981: 104). Not only are the parallels between employment loss and grieving instructive, but the divergences indicate an important aspect of the unemployment experience: the uncertainty whether the loss is irrevocable or temporary.

While viewing the experience of unemployment as a grieving process has theoretical advantages over the attempt to construct a model of the effects of unemployment for all the unemployed irrespective of duration, this approach has weaknesses as theory. Understanding employment loss as a grief reaction is not a theory but a simile. To achieve the status of theory all the grief reactions discussed by Travers would have to be subsumed within an explanatory model addressing the question - why do grief reactions follow the described pattern? Further, individual variation in the intensity and duration of the grieving process require some explanation. And finally, while the subjective reactions to loss have been described, the experience has been left entirely without objective content: What is it that has been lost? What meaning did it have for the subject? What has been gained in its place? While the grieving model describes the subjective process of adaptation to loss, no view has been developed concerning what has been lost and what it is the unemployed have become adjusted to. What are the differences between working and unemployment as durable ways of life?

While the 'learned helplessness' literature drew a relationship between material conditions and subjective experience, and the 'cycle of adjustment' literature
describes a process of change, neither can stand on its own as a sociological explanation of the transition from employment to unemployment.

2.6. Conclusion

In the literature on the social and psychological effects of unemployment, few theoretical questions have so far been addressed. Rather, a cluster of supposed effects of unemployment have been empirically replicated with different groups of the unemployed. There have been few focussed attempts to answer the question: 'Why do unemployed people suffer from this catalogue of negative effects?' (compare Kenyon, 1979-80: 144).

I have argued that the failure to answer this question results from a lack of attention to the social and structural 'situation' of unemployment - to the relationship between the subjective effects of unemployment and the objective constraints which the life of unemployment creates. Writers have looked for explanation to the personal characteristics of the unemployed. I acknowledge that this emphasis of the existing psychological work results from a disciplinary perspective of psychology which differs from that of sociology, and I do not wish to criticise the work of psychologists for failing to be sociological - particularly since psychologists have opened to social science an area of research in which sociology has yet to make a significant contribution. The psychological literature has also established some evidence of which I make use in my own theory construction (Chapter 3). Despite these caveats it is still necessary to indicate the major omissions in the extant literature from the viewpoint of the sociologist, in order to redefine the research questions in a way more satisfying to sociological theory. The omissions are fourfold.

First, existing expositions of the life of unemployment have consistently seen the unemployment experience as an aberrant state rather than as a culture with objective causes which can be 'normal' for unemployed people. Consequently, writers have by and large taken as their dependent variables some measure of psychic stress or distress and have not made any assessment of the material way of life or habits of the unemployed. Conversely the life of wage labour has been accepted as normal and unproblematic.

Second, the workless have been examined largely in isolation from the culture of the working. A comparative view promises to illuminate the distinctive objective conditions in which unemployed people live.
Third, the experiences of the unemployed have been viewed as though they were the peculiar psychological property of individuals themselves, since the personal characteristics of the unemployed have provided the majority of independent variables. An apparent inference is that the characteristics of the unemployed are responsible for the social/psychological effects of unemployment. The objective forces which shape the experience of unemployment remain to be described.

Fourth, because there has been no adequate theory proposed to explain the personal reaction to unemployment, there has been no explanation achieved which is of a sufficient status for the formulation of social policies to address long-term unemployment.

These omissions show that the 'mainstream' literature about the social effects of unemployment has been caught, rather, in a side-eddy. An interrelated set of questions remain not only unanswered but largely unaddressed:

1. What are the social functions of work which are lost in unemployment?
2. What is the objective culture of long-term unemployment, and how is this different from the culture of work?
3. Once accepted as a normal way of life, how does the culture of long-term unemployment retard the return to work?
4. What are the likely effects on the culture, structure and political constitution of society of a growing body of the long-term unemployed?

In the following chapters I address each of these problems in turn. Chapter 3 approaches an answer to the first and second of these questions while Chapter 4 addresses the third. The fourth is briefly reviewed in my conclusion (Chapter 5). In the process I attempt to move the problem of unemployment from psychology to sociology: to a consideration of the predictable patterns of behaviour people enter into as a consequence of their unemployment, and the meanings which accompany them.
Chapter 3
The Culture of Work and the Culture of Unemployment

3.1. Introduction

This chapter follows through two pivotal ideas to make a contribution to a sociological theory which will explain the experience of individuals who become long-term unemployed. The first of these ideas - that long-term unemployment must not be seen as an ongoingly aberrant lifestyle, but as one which may become 'normal' for the long-term unemployed - encourages the view that unemployment may become a 'culture', and that a process of cultural change is undergone by individuals as their spell of unemployment lengthens. In this chapter both the process of change and its resultant culture are investigated. The second idea - that unemployment cannot be understood apart from employment - provides the method by which an investigation of unemployment necessarily must proceed, since the culture of unemployment is determined by the loss or absence of the structures and relations which employment commonly provides. I begin with a description of the culture of wage labour, and by considering the loss of this culture, move toward an understanding of long-term unemployment as a way of life.

The process of cultural change which accompanies the individual's drift into long-term unemployment is neither quick, nor painless, nor conceptually simple. The 'cycle of adjustment' literature reviewed in Chapter 2, and in particular the suggestive seven-phase schema of adjustment presented by Hopson and Adams, provides a framework through which to describe the lengthening of a spell of unemployment as a process of loss and attachment.

3.1.1. The world taken for granted

There are extant in society what Schutz has called 'finite provinces of meaning'. Schutz emphasises that some provinces of meaning - like the world of dreaming - are real only to the subject. Others, like the provinces of religious belief and practice, of scientific investigation, or of ethnic subculture, are shared within a
particular community. One such world of meaning is that of working. This world, Schutz observed, is our 'paramount reality', because the meanings of the world of work:

...as a whole stands out as paramount over against the many other sub-universes of reality... it places tasks before me, permits me to carry through my plans, and enables me to succeed or fail in my attempt to attain my purposes. By my working acts I gear into the outer world, I change it... I share this world and its objects with Others; with Others, I have ends and means in common; I work with them in manifold social acts and relationships... (Schutz, 1962: 226-227)

Alongside this paramount reality the sociologist may distinguish the private life of home and family, or the life of unemployment, as 'finite provinces of meaning' without doing violence to Schutz' conception. A key insight of Schutz was that whatever is the sphere of our life for the time being is 'taken for granted' by us as real and permanent. In Schutz' words it carries for us the 'accent of reality'. In our natural, commonsense attitude, we suspend our doubt about the truth of its meanings and assumptions. The entire constellation of social relations, places, practices, and beliefs within which we live our lives and which we commonly take for granted constitutes for each of us our 'taken-for-granted world' or 'lifeworld' (lebenswelt).

Our dreams lose the accent of reality as we awake and are able to typify our experience as 'only a dream'. The world of religious experience may lose the accent of reality when we go out through the church doors into the secular world. However, the paramount reality does not so easily lose its accent of reality. The habits and cognitive structures of our working lives may exert a force upon us which is both largely independent of our will and outside our understanding.

3.1.2. The process of cultural transition

Schutz noted that as we move from one finite province of meaning to another, we experience a 'shock' (Schutz, 1962: 343-344). When we awake from a dream for instance, we experience a 'shock' to find that all is still in its customary place. There is promise in Schutz' articulation of the structure of the world taken for granted in comprehending cultural changes such as the loss of employment. However, the movement between cultures can not be understood simply as a shock but must be investigated as a process. If separate provinces of meaning exist, the process of movement between them, and the structures or relations which assist or retard that process, must be prime subjects for theoretical exploration.
The classic grief reaction which Travers (1983b) saw mirrored in the loss of employment may be reinterpreted in the terms of Schutz as a more universal type of experience resulting from the loss of a reality taken for granted. The descriptions of the psychologists of the shock-anxiety-depression-fatalism process perhaps chronicles the psychological responses concomitant with a change at the center of the lifeworld of an individual. This may be why the psychologists’ findings concerning the psychological process of adjustment of the unemployed are so similar to the effects on the subject of other transitions such as marital breakdown, bereavement, or sudden disablement; or presumably, winning the lottery, emigration, natural disaster, social revolution, or the outbreak of war.

A limitation of the various models of transition identified in Chapter 2 was their lack of attention to the structural differences between employment and unemployment which create the necessity for an adjustment process. Nevertheless the seven-stage transitional model outlined by Hopson and Adams serves an important heuristic function. It is helpful in understanding the way in which the subject makes the transition from one set of habits, beliefs and consciousness to another following a major change in the institutional relationships governing his or her life.

The insights of Hopson and Adams can become more useful to theory building if they are reinterpreted in terms of the concept of ‘the world taken for granted’ outlined above. It is also important to emphasise that the ‘cycle of transition’ described by them may never be completed. The subject may remain for long periods at any point within the process of adaptation. Moreover the ‘stages’ identified may not be discrete. The ‘stages’ may be better viewed as simultaneous or overlapping within an overall process of loss and attachment. Letting go of the old and grasping at the new are part of a single movement. Even so, for the sake of analysis it is convenient to begin with a discussion of the culture of wage labour, subsequently to describe the process of its loss and, finally, to explain as a consequence of this process, the culture of unemployment.

3.2. Unemployment as loss

Employment and unemployment stand in an intimate relationship. To the extent that social functions are commonly fulfilled at work, the lives of those removed from it may be impoverished. These social functions of work are best seen as unintended consequences of the social organisation of labour in industrial capitalism. They are neither necessary to the productive process nor unique to the workplace. For example while people are drawn into relationships at the workplace
which may enrich their lives, these relationships are entirely incidental to the productive process and may also be found outside of employment. The unintended nature of these social or psychic functions of employment make them highly variable in the experience of employees in differing occupations, industries, and workplaces. They may become taken for granted and habitual in the lives of some workers, but not of others. The variability of the unintended, social functions of employment may go far to explain the variability of the loss, stress or depression experienced by workers upon becoming unemployed.

The social organisation of employment also creates a fairly consistent pattern of acceptable behaviours among employees to which they become, habituated. These behaviours carry with them a style of consciousness with specific features. Together, the habits and consciousness which are produced by the social organisation of work may be described as the intended consequences of the social organisation of labour: as a pattern of behaviour and consciousness which is required for the smooth running of the productive process. Prolonged separation from employment may lead the worker to give up these intended habits and consciousness of employment. Far from remaining a coincidence of absences, the habits and consciousness of lengthening unemployment may themselves be understood positively, as a way of life which may come to be accepted as their normal one by the unemployed. Habituation to this way of life may hamper the re-adjustment to wage labour.

The common habits and the style of consciousness demanded of the worker (the intended functions of employment), together with the unintended social functions of work, may be defined, together, as the social culture of employment.

3.2.1. Loss of the unintended functions of work and the variability of the unemployment experience

The unintended, social functions of work are variable in the experience of employees. They may be missed by the newly unemployed, creating problems of adjustment to unemployment as well as an experience of deprivation.

To Marx the signal aspect of humanity was 'the practical creation of an objective world, the fashioning of inorganic nature...' (Marx, 1977b: 328-29). Employment may provide the scope for such creative production and the self-realisation of the worker. Consequently in unemployment some may keenly miss the creativity and accomplishment of their former work.

And then I get into a lot of regrets. Like I'm wasting my life. So many months. Because when you go into the American system for so many years,
you develop a sense of joy from accomplishment. And when I'm not accomplishing anything, I feel very sad. All the college I've been through, all to waste. I'm not really achieving anything at all. Everyday is just wasted. I feel a deep sense of emptiness. (Roland Batala, in Maurer, 1979: 60)

However, Marx did not see all labour as salutory:

The more production is diversified, ... the more completely work falls into the category of wage-labour until, finally, no other meaning is left to it. It thus becomes wholly accidental and unimportant whether the relationship between producer and product is governed by immediate enjoyment... and whether the... act of working involves the fulfillment of his personality, the realization of his natural talents and spiritual goals. (Marx, 1977c: 268-269)

Consequently some who are engaged in wage labour may be more than willing to explore alternatives:

J was reduced to doing really boring stuff... I couldn't afford to leave the job because I was broke. And I was almost in tears. I felt like a vegetable. So I decided to get myself fired... So I really fucked up. My boss called me in one day and said, 'Look Dave, it's obvious that you're not doing the work because it's boring. I know it is. You're bored silly. We're going to have to let you go, and we'll give you unemployment'... So I said, 'Oh really? Well if you think that's best.' And I lived happily ever after. (Dave Yalman, in Maurer, 1979: 25-26)

Employment may also give the worker a sense of personal control through working with or supervising others, shaping raw materials, planning and organising work, or receiving praise from supervisors or colleagues for a satisfactory work performance. Where workers habitually experience such control in their work they may develop a sense of personal potency and confidence which becomes central to their life experience. However, the organisation of the workplace may be such that on the contrary the worker feels frustrated and powerless in the face of an arbitrary employer's policies or a supervisor's whimsies; or the worker may be confronted with a productive process which requires no skillful operation or initiative.

... if men are forced to act as mechanisms in their daily labour, is there not a danger that in time they may lose their independence, their creativity and their sense of responsibility in other aspects of life as well? (Meakin, 1976: 14)

Here Meakin indicates that work, far from giving a sense of control, may lead to a learned helplessness just as damaging as that which might be experienced by the unemployed. Whether the unemployed experience their powerlessness as a loss will depend on the degree to which they had a sense of personal control within their former workplace.
To the unemployed, certainly, control over their affairs is often immediately and tangibly located elsewhere: with the Social Security Department which establishes and regulates their income and to whom the unemployed are accountable for changes in private income, marital status, family situation, and address; with the Commonwealth Employment Service which is their broker in the labour market; with past and prospective employers who decide what will be the level of their redundancy pay, who will be fired and who hired; and with the apparently impersonal and uncontrolled economic changes which have contributed to their unemployment.

In the long run what I felt was an enormous amount of rage. Feelings of rejection, of humiliation. And it was frustrating because there was nobody to let that rage out against. It was faceless. I couldn't beat my fist against them or fight them or scream at them. It came down to my director and principal, but they had nothing to do with it. You can think about the politicians or the society, but it's like dropping something in the lake and watching the ripples, ripples, ripples. Nothing to get a handle on. (Laura Gordon, in Maurer, 1979: 66)

Employment also has the potential to link the worker to goals and interests which transcend his or her own and provide a sense of purpose to the worker (compare Hayes and Nutman, 1981: 38-44). Correspondingly unemployed workers may keenly miss the sense of a contribution to a greater purpose which once they took for granted:

After a bit you get bored, and by the end of the first week you're bored stiff, and you realise you haven't a place in life. You're not contributing anything... (Mr Haigh, in Marsden and Duff, 1975: 191)

Yet the potential of employment to provide a sense of common purpose may not always be realised.

No longer do individuals commonly represent themselves primarily according to their ascribed and largely immutable status - according to their family, clan, village or religious affiliation - but according to what they do, within the social relations of production and the specialisation of labour within the workplace. Individuals commonly tell others whether they are a 'housewife', 'retired', or 'on the dole'; or - if they are employed - where they work and what they do.

Not too long ago I went to a concert where some of my brother's friends were playing... meeting all these people that I knew when I was growing up. And of course, what they asked me was: 'What do you do?' That was the question. What do you do?... because that's who you are. It's synonymous. (Laura Gordon, in Maurer, 1979: 68)

More than 'housewife' or 'unemployed', employment identity is as differentiated as
the specialisation of tasks in modern society, and carries with it an assurance of social legitimacy which is not always accorded to the housewife or to the unemployed. An important unintended consequence of employment is to be found in the formation of a socially legitimated identity which is highly differentiated. A closely related function of work is that a job summarises achieved status. Both of these unintended functions of employment may fulfill important needs for the subject in the formation of an identity which may be lost in unemployment:

It felt like my independence was being ripped away from me. I had lost my job. Truly lost it. Now what was I going to do? ... And at first I thought it was just the loss of money that was taking all my independence. But then I began to feel it on a psychological level. What is my identity? OK, I'm not a teacher. Am I a student? ...I had to ask myself, ‘Who am I now?’ (Laura Gordon, in Maurer, 1979: 66)

The identification of domestic labour with women's role in the division of labour makes possible the idleness of the unemployed man. It is a structural predicament of the life of unemployment, whether long or short-term, that it involves no necessary productive activity. Employment enforces regular activity beyond that commonly circumscribed by the weekend's lawn mowing or car wash. The authors of the Pilgrim Trust study of the 1930's already understood that:

Work provides for most people the pattern within which their lives are lived, and when this pattern is lost they have thrown upon them the responsibility which, in the case of most unemployed men, their working lives in no way qualified them to bear, the responsibility for organising their own existence. (Pilgrim Trust, 1968: 149; in Hayes and Nutman, 1981: 23).

The authors of Marienthal (Jahoda et al, 1971) placed the idleness of the unemployed at the center of their description of the life of the 1930's unemployed. However, I believe that its variability must be stressed: while many of the unemployed must struggle if they wish to maintain activity not all the unemployed become idle. Some unemployed people succumb to inactivity and boredom, either immediately upon the beginning of their unemployment or as home renovations are completed, money for materials and tools is depleted, or the will is lost to sustain activity when its major social underpinning - employment - is absent.

It's crap being on the dole. You had nowt to dae all the time. It was alright at first, like. Then after a couple of months you started getting lazy, like you cannot be bothered to dae nowt, just feel like stopping in bed all day.

Oh, it's boring. I used to play football or something like that, sit about the house and play me guitar, and I just got fed up.

... and I was in the house all afternoon, and I just used to watch the
telly, like, pass me time away. (teenagers, in Marsden and Duff, 1975: 204)

With boredom may come lethargy. Because there is no activity that must be done, there may appear to be little reason for doing anything. If time is unlimited, its sensible use may appear superfluous:

What he might do before lunch can be done equally well after lunch or in the evening, and suddenly the day has passed without it being done at all. (Jahoda et al, 1971: 71)

Without necessary activity, time weighs heavily. Just getting through the day may become a chief motivation. Consequently the unemployed may sleep more, not so much to recover from physical or mental tiredness as to avoid the hours of boredom.

I stay in bed most days till about one o’clock; there’s nothing to get up for. You’d be surprised how much you can sleep if you try. When I wake up and think of all the hours I’ve got to fill I think ‘Oh Christ’. You find yourself looking forward to when the kids’ programs come on the telly. That’s when you realise just how far you’ve started to rot. (’man, 30s’, in Seabrook, 1981: 11)

Jahoda et al observed that the day of the employed men was 17 hours long on average and that their leisure was spent in activity. By contrast the day of the unemployed men was only 13.5 hours long on average (1971: 68). Where there was no labour neither was there any leisure, for leisure time is given its bounds by the hours of labour which must be undertaken in the working week.

Yet others of the unemployed respond by creating for themselves new work outside of employment - craftwork, writing, music, home decoration or domestic labour:

... at the moment I feel O.K., but if I wasn’t doing anything, I’d feel in a very fragile situation... one feels that if one is doing something, that one is not in such an untenable position. I mean, I think that this is just some thing to do with mental health. (Mr Calvert, in Marsden and Duff, 1975: 180)

Those who already had activities alternative to their work which made them happy may miss their work less keenly:

Well now, I’ll be perfectly frank with you. Work has gone right to the back of my mind there, because I feel so free doing these pictures... I get more satisfaction out of doing pictures. (Mr Weston, in Marsden and Duff, 1975: 179)

Employment can fulfill an important psychic need in enforcing social relations
and may provide shared experiences beyond the immediate milieu of family and friends (compare Jahoda, 1979). The relationships of the work environment may or may not be amicable or fulfilling. Nevertheless, the loss of the diverse associations of employment remain a structural consequence of becoming unemployed:

... although Mr Vickers insisted that he was not exactly lonely at home, he said, 'I miss the people at work. Even the people I didn't like, I miss them.' (Marsden and Duff, 1975: 177)

The unemployed may find that they are lonely, socially isolated, or wholly dependent for social interaction on their immediate family. While a few families no doubt grow closer from this experience, other family members are entirely unprepared to spend the majority of their waking hours in the confines of a house or flat with an unemployed spouse, child or parent who is bored, depressed or under stress.

- I started to get into arguments at home. The slightest little thing would set me off. I slacked off about getting a job. I'd go to one or two places a day, where before I was going to ten... And if the kids started goofing around, I'd get mad and I'd start yelling. (Anthony Pastorini, in Maurer, 1979: 53)

Some unemployed people, perhaps those who were laid off together, find solidarity in groups, while others find their lives enriched by relationships untrammeled by the strictures of work routines and the comparative impersonality of the workplace. The variability of the unintended functions of employment needs to be stressed. This variation is important to explaining the observed variability in the depth of the loss experienced by unemployed people.

There are a number of other factors in the work situation which vary in the experience of wage labourers which do not so much fulfill psychic as physical needs. Employment is often a source of income at levels both exceeding unemployment benefit payments and the level commonly recognised as the poverty line. Jahoda et al (1971: x) noted that the loss of income reduced a worker's 'effective scope'. The unemployed restricted their radius, bought a lesser variety of goods, ate a less varied diet and bought goods more often at the same store.

It's affected my outlook on life a lot. I don't dress so hot anymore. I just put on anything I have. Shabby clothes, shabby coat. I mean, when you don't feel too good inside and there's no money in your pocket, it's no use getting into a suit. I guess it affected the way I walk, the way I dress, and where I go. Before I used to like to dance, go to parties, go to clubs, and many of these places you have to pay $3 or $5 just to get in. And I find I can't go because I don't even have the money in the first place. Probably just because I don't have the means, I become more lonesome
than ordinarily. So it's a really bad psychological state. I don't feel too good about myself. (Roland Batala, in Maurer, 1979: 59)

It is also worth remembering that for some, their work does not produce an economic reward greater than that which is provided by unemployment benefits. While unemployment benefits increase with the number of dependent children, wages make no such provision. A worker on a minimum wage and with a large number of dependents may be financially more secure in unemployment. In Australia the relatively new Family Income Supplement is paid to low wage earners in respect of their children in recognition of this problem. However workers may still work a long week for marginal gains above the level of their unemployment benefit entitlement. These gains may be barely sufficient to cover the expenses of the travel and clothing necessitated by their employment. The assumption that all the unemployed will experience a loss of means as well as a loss of employment may not be made.

There are also a number of environmental factors in industrial production to which the worker must become habituated. Much industrial work is very much more noisy than any pre-industrial phenomenon other than rare natural occurrences. Where it exists in the workplace such noise is often continuous. Similarly, high levels of air pollutants such as dust, paint, or other matter may make the working environment unpleasant. Even in an office setting the constant warmth and stuffiness of an airconditioned environment may require the habituation of the worker. There may also be elements of danger for the uninitiated in the work process which require routine acceptance on the one hand and the development of safe practices on the other.

So I got hired. I went back to the area where I was supposed to be working right? It was a pool of hydraulic fluid, oil, gasoline, everything. Highly volatile. And I was supposed to be out there cuttin up cars, you know... Finally one exploded... And I got burned by a piece of insulation that was soaked in gas... Doctor bandaged me up, and I went back. They wanted me to cut the rear end off this car. I said, 'Take the gas tank out.' He said, 'No, no, there's no need. There's no gas in it.' I turned off the torch, set it up, and said, 'Give me my money. I'm quitting. Unsafe working conditions.' ...Gave me my money and I walked out the door. (Anthony Pastorini, in Maurer, 1979: 56)

A problem of work in industrial society is that while work is important to the health of the individual because of its major role in the provision of individuals' social, psychic and material needs, it can itself be dehumanising when it lacks freedom and creativity. 'Not any kind of work is valuable and satisfying...' (Meakin, 1976: 8)
A neglected perspective [in the study of unemployment] is how limiting work can be; how dirty, dangerous, monotonous, boring or lonely. This makes it a very interesting question why many men work at all. (Marsden and Duff, 1975: 18-19)

In describing the lives of the unemployed it is wise to avoid extolling the condition of wage labour as their necessary or only salvation. While the unemployed may be estranged from labour itself, the worker may be alienated in his or her labour. The predicament of both is a product of the social organisation of labour in industrial capitalism.

Yet the unintended functions of work which are lost may create areas of deprivation in the life of unemployment. It follows that the unemployed may not always experience deprivation. It is little wonder then that not all the unemployed have been found to be distressed by the loss of their work, and that the unemployed are not always found to be more lonely, bored, helpless, or lower in self-esteem than a comparable group of workers. The very variability of the unintended, social functions of employment contributes to the variability discovered in the personal response of workers to their unemployment. Unemployment can not be understood in isolation from wage labour.

3.2.2. Loss of intended habits, meanings and consciousness of employment

The social relations of production of industrial capitalism also involve a number of regular institutional relationships which are necessary to the productive process. Chief among the intended factors in the culture of work is that employment structures time. ‘Task-time’ has been replaced in the modern workplace by the rational division of time by the clock. Workers have become habituated to particular hours of work delimited at the broadest level by the division between ‘working’ and ‘non-working’ days, and further delimited by starting hours, lunch hours and finishing hours. ‘Clocking in’ and ‘clocking out’ have become common experiences in the life of the worker. Labour is often paid by the hour.

The first generation of factory workers were taught by their masters the importance of time; the second generation formed their short-time committees in the ten-hour movement; the third generation struck for overtime or time-and-a-half. They had accepted the categories of their employers and struck back with them. They had learned their lesson, that time is money, only too well. (Thompson, 1967: 86)

Employment creates regular rhythms in the life of the worker to which the worker must become habituated. Lack of punctuality and absenteeism are departures from these rhythms which are most often penalised by the employer.
The other reason was the time clock... I just refused to punch in and out. I said, 'I will not. I'm the super and my hours are sometimes very long and late, sometimes early. I demand that freedom.' ... I would just do my hours. ...He took me in his office and used the time clock, as an excuse to fire me. (Freddie Dreyfus, in Maurer, 1979: 95)

Not only is the working day rationally apportioned but the hours outside of work are regulated by the time rationality of the working week. The hours of rising, breakfasting, dining and retiring are not enforced strictly on the worker but their bounds are circumscribed by the hours devoted to employment. Any clubs or societies joined by the worker will be organised to function outside of common working hours, will have appointed times, and will be fitted by the worker into a weekly ‘timetable’ which is given its form by the division of ‘work’ and ‘spare’ time. Consequently time-rationality at work may create a rationality in the internal notation of time which is widely generalised.

Anonymous or formal social relations are involved in the social organisation of the industrial workplace by a relationship of necessity. While the opportunity for informal relationships is unintended in the workplace, formality in relationships is a necessary feature of employment which may not be shared by any relationship outside of the working life. The basic formal relationship of employment is the employer-employee relationship. Other formal relationships in the workplace arise from this, as other employees such as foremen or supervisors intervene between the employer and the employee as ‘deputised’ representatives. Not only may there be formal relationships with seniors or subordinates but relationships with peers may be similarly formal at the level of the work ‘function’. Berger, Berger and Kellner (1974) have analysed the structure of consciousness which is situated in the technological and social organisation of factory production in ‘third world’ cultures. Much of their work is equally applicable to ‘first world’ employment since the organisation of production in modern work settings is so similar irrespective of location. While work relationships may be rich friendships, Berger, Berger and Kellner stress that it is intrinsic to the production process that those engaged in it define each other as anonymous functionaries.

Thus the worker who is in charge of step twelve of a work sequence in which I am concerned with step eleven is both my friend Joe, an individual with unique and irreplaceable qualities, and an anonymous functionary who could be replaced at any moment. At most, all the others in the work situation may be experienced in an anonymous mode, in which the situation becomes anomic in the full sense of the word (Berger, Berger and Kellner, 1974: 36).

The imperative of formality is apparent in that personal prejudices in relationships with others constitute threats to the production process. Berger, Berger and Kellner
(1974: 36) give two examples: 'I’ll only work with my friends' and 'I refuse to work with Polacks'.

The anonymity of functions extend to the self. The self must be seen both as a unique person and as a functionary with stipulated tasks. In this way a certain distance is established both in practice and in consciousness between the 'work identity' and the somehow more 'real' 'home' identity. Berger, Berger and Kellner (1974: 38) comment that it becomes possible for the worker to perform some of his or her work roles 'tongue in cheek'. This is a primary means of the emotional management that is required for the smooth functioning of the individual as a component of the production process. Emotional expression can not be given free reign. Rather, a cool or more repressed emotionality is required of the individual. Emotional management may be generalised to the private life, leading to an emotionally repressed life in all spheres. An on-and-off emotional life is also conceivable in which more free emotional expressions are 'fenced off' into the private life. The worker who experiences frustrations at work may not vent his or her anger until at home. Finally, the worker may allow free emotional expression to invade the workplace. Outbursts of uncontrolled anger or grief within an office or factory are jarring since they rupture the cool emotional climate which is taken for granted within the work setting.

*Work also enforces sub- and super-ordination.* Hierarchy is a pervasive experience in the social organisation of production in industrial capitalism to which the worker must become habituated. The roots of hierarchy can be located in the employer-employee relationship in which the worker exchanges for money not only labour power, but labour power which serves the purposes and will of the employer.

*Delayed gratification* must be taken for granted by the worker. Employment is not undertaken primarily for its own sake but 'in order to ...'.

Estranged labour ... makes his life activity, his being [wesen], a mere means for his existence... (Marx, 1977b: 328)

That which for Marx ought to be the medium for human living - work - thus becomes merely the means to an end. Finding little of personal value in work, the worker places heavy emphasis on the private life of family and leisure, where the joint consumption of leisure goods becomes the focus of much that is enjoyment. At the same time, work becomes utilitarian - its utility is to provide the earnings which will support the material requisites of the private life.

This transference of emphasis from creation to consumption is one of the most characteristic features of our civilisation and culture. (Meakin, 1976: 11)
The ethic of delayed gratification is closely bound together with what is commonly called the work ethic. Particularly among working-class men, the moral duty to labour is tied to family responsibilities within the sexual division of labour. The male worker is the 'breadwinner' who 'provides for his family'. The work ethic is not only an ideology but may thus become an identity and a task.

The culture of wage labour is not limited to habits and ideologies. A form of consciousness may be distinguished which is typical of many work settings. Following Berger, Berger and Kellner (1974: 20-21) I distinguish the content of consciousness (the 'what' of knowing) from the cognitive style or mode of knowledge (the 'how' of knowledge, and the principles by which knowledge is organised).

It is important to stress that the cognitive style is ... not necessarily present in the consciousness of the worker ... though this logic forms the background to his own consciousness as it pertains to the work process. In phenomenological terms, the cognitive style is not necessarily at hand in thematizable form for the worker, but it provides the background for his thematizations. (Berger, Berger and Kellner, 1974: 32)

Berger, Berger and Kellner (1974: 32) ask, 'What is the cognitive style intrinsic to technological production?'.

Componentality in consciousness follows from the minute division of labour in industry. As the work process is broken into constituent parts so consciousness deals with reality in terms of discrete components which are in relation with each other. The interdependence of components and their sequences is stressed by the authors as intrinsic to the cognitive style of industrial production. The actions of workers are parts of a larger process.

The separability of means and ends is a further component of the consciousness of wage labour.

To take an obvious example, a particular assemblage of cogs produced in a highly specific production sequence may eventually go into a passenger automobile or a nuclear weapon. Regardless of whether the worker involved in this particular production process approves or even knows about its intended end, he is able to perform the actions that are technologically necessary to bring it about (Berger, Berger and Kellner, 1974: 32-34).

Closely related is implicit abstraction. The worker is able to fulfill his or her functions without necessary concentration on the particular part his or her task plays in the creation of the finished article (Berger, Berger and Kellner, 1974: 32-34). Each of these factors may be identified in Weberian terms as components of the overarching rationality of the consciousness of modern work settings.
Together, the work habits, beliefs and style of consciousness identified above are necessary particularly to the factory system of production. However I argue that they apply equally to many office, small business or trade settings. Nevertheless it would be wrong to exaggerate the obedience of modern work patterns to the clock, and the synchronisation of labour which now commonly pertains, by attending solely to industrial production in the conveyor-belt assembly plant. The unrelievedly gloomy pictures painted of modern work by Meakin and others often concentrate solely on machino-facture: assembly-line work in industrial plants. Even when it is not explicitly referred to this kind of work is implicit in the literature as the paradigm of what work means in industrial society. It is the kind of work which Marx identified with the industrial proletariat. We know in the context of Marxist revisionism that this classic ‘proletariat’ is a diminishing sector of the labour force, and indeed that it no longer composes the majority of workers. In recent years in Australia manufacturing industry has gone into a sharp decline: a fact which has not brought much joy to those members of the proletariat ‘released’ from their former occupations.

Just as we should not assume wage labour to be the greatest cure of ills ever invented by humankind we should not ignore too glibly the great variety of work-situations now existing. The burgeoning white-collar labour force is winning for itself flexible working hours, in-service training, team approaches to work and limited job-enlargement and de-specialisation. The growing body of academics, research workers and students often work to timetables of their own devising. Others are turning from wage labour to subsistence farming; to craft work; to freelance writing, photography or journalism; or to home consulting, often in quite technical occupations. Those who are skilled workers in the entertainment industries - such as musicians, dancers, jugglers, actors, clowns, make-up artists, or lighting crew - often live nocturnal lives whose major structure is determined by the ‘gig’. There has also been in recent years a growth in the proportion of the labour force engaged in part-time, seasonal or casual work. The unifying elements among these groups otherwise marked by differences in social status, income and personal ambition are their restructuring of work away from the stricter forms of time-rationality towards greater task-orientation and their partial re-unification of ‘work’ and ‘life’. The extent to which the gloomy pictures of modern work painted by the critics are true can not be resolved with reference to a single sector of production. Nevertheless it remains true that the largest proportion of the labour force is employed within a rational time-structure far removed from that of the pre-industrial Britain described above. It is also particularly relevant to note that most of those who remain unemployed for any length of time must seek work in those occupations and
industries which are most likely to be characterised by strict working hours, an hierarchical organisation, and other intended factors in the culture of wage labour described above.

3.2.3. Loss of employment as loss of a central reality

Some things are more taken-for-granted than others. There is scope for a concept of 'centrality' in the world taken for granted. Within this world, some institutional arrangements, habits and beliefs will be quite easily shed without creating a great disenchantment. Other losses will shake our central assumptions. Schutz noted that the world of working is our 'paramount reality'. Together the intended and unintended functions of wage labour may be such that they assume a central place in the taken-for-granted world of individuals. Employment involves a deeply entrenched pattern of social relations, broadly shared beliefs, and a widely generalised system of rationality which organises knowledge and experience. Employment may also fulfill important psychic needs. Alternatives to employment through which we may acquire our physical needs may not be readily apparent. The very social generality of the common relations, habits and consciousness of the employment relationship may contribute to its predominance in individuals' experience. The centrality of employment within the lifeworld of an individual may be multiply determined in a complex way. Nevertheless employment may be more or less paramount, more or less central, within the lives of individuals.

Recall the cycle of transition described by Hopson and Adams (in Hayes and Nutman, 1981: 11-12). Immobilisation was the first stage of transition identified. The subject, overwhelmed by loss, is unable properly to comprehend the change, to reason, or to plan for the future. 'This can't be happening to me'. Minimisation of the change follows, involving a denial strategy. The subject behaves as if the change either had not occurred or is a trivial change, 'Great, it will give me time to fix the garden properly'. These stages in the cycle described by Hopson and Adams may now be reinterpreted as immediate reactions to the loss of a central aspect of the taken-for-granted world. The logical result of remaining for any duration in the former state would appear to be the most far-reaching anomie. However, if the subject should continue unrealistically to minimise his or her loss, the denial of reality would appear to create the conditions for a neurosis. Consequently, it is important that the subject progress toward acceptance of the loss of employment.
3.3. Lag and distress: in praise of ‘dole bludging’

For Hopson and Adams depression followed the immediate reaction to the loss of employment, resulting from a realisation that the loss is immutable and undeniable and that alterations to the way of living would have to be made. At this stage the subject resists change in his or her life. Hopson and Adams emphasise that the subject continues to interpret his or her new situation through the assumptions and beliefs of their former lifeworld. This suggests that the world of meanings and habits may ‘lag’ behind changes in the actual conditions and relations governing our lives. This idea may help to explain why, following dramatic upheavals such as revolutions, so many things appear to stay the same. That which has been achieved in fact remains to be achieved in consciousness. Objective forces and subjective meanings are relatively autonomous in this model of cultural adaptation.

The habits, beliefs and consciousness taken for granted by the worker and which were necessary to his or her smooth functioning in the workplace are not lost in an immediate way. In unemployment they become inappropriate and create stress. Thus habitual hours of rising and retiring may be maintained for some time by the unemployed even while their daily rounds no longer demand it.

I wake up automatically at the time for work. But then you gradually get off it. (Mr Miller, in Marsden and Duff, 1975: 193)

The unemployed may lengthen their hours of waking inactivity and perhaps mentally mark off the timetable of their former lives: ‘Now I would be getting up for work’, ‘Now the lunch hooter would sound’. More damaging than the maintenance of work disciplines in a life that does not demand them is the maintenance of work values in a life that does not exemplify them. In unemployment, individuals may continue to believe that employment defines the social place, function and value of an individual. Consequently the unemployed may feel that they have no place, no function and no value. Each knock-back by an employer may be experienced as a blow to self-esteem, pride, and confidence.

Hopson and Adams (reported in Hayes and Nutman, 1981: 12) noted that early in the process of bereavement a hopeless search for the lost person is often undertaken. The lost person once taken for granted is still sought even though dead. This typifies the period of ‘lag’ in a bereavement. Similarly, because an active jobsearch signals a continuing orientation towards the world of working even though the objective relations of wage labour have been lost, the period of active jobsearch can be placed by and large within a period of ‘lag’. The functions of the job
search are not only to recover work but can be likened to the search for the lost person, as a struggle to recover the lost reality, in order to reconcile the contradictions which exist between the subjective expectations of the worker and the objective relations which typify unemployment. This is true particularly of the frantic search for a job - any job - which appears to typify the early jobsearch of many individuals:

You go to the unemployment office every morning when it opens. Eight-thirty... You call places and make appointments. You go out and fill out applications. I must have given out fifteen hundred copies of my discharge form within the first six months. But nothing. Not even a call saying that we can't hire you. (Anthony Pastorini, in Maurer, 1979: 53)

If the unemployed continue to believe that employment, above all other social relationships, gives the individual a purpose, then they may experience a continuing anomie. If unemployed men continue to believe that employment is the theatre of 'real' work while all other work is marginal to economic or productive life, then they may do no work at all, while their wives or mothers vacuum and polish around the chair in which they sit. The result for the worker would appear to be continuing inactivity and boredom.

Where, as a worker, the individual laboured five days for the consumption of the weekend and the holiday, he or she may for a time continue to take it for granted that pleasure is consumption when the income to support it is gone. Equally damaging may be the maintenance of the structure of consciousness requisite in employment. The unemployed may remain abstractly distant from their unemployment role, taking an approach which is 'tongue in cheek' to the application for benefits, registering with the CES, and applying for jobs. Furthermore emotional management may be maintained while the worker is keenly in need of emotional release.

The period of 'lag' in subjective culture can be characterised as one of 'poor fit' between the taken-for-granted world and the objective life of the subject. Rather than altering at once their subjective expectations, the unemployed turn against themselves their own central beliefs and values. If this description is at all apposite this period in the experience of the unemployed may be characterised as the period of their greatest distress. The full realisation of the loss of employment and all that it entails, coupled with the negative evaluation of the self, makes this period in the adjustment to unemployment the most difficult to bear. If employment was particularly central to the subject and if alternatives are not at hand this period may be prolonged. It is even conceivable that the resolution of the
contradiction being lived by the subject may not come. It may become the permanent condition of some of those who become unemployed during the middle years of their working lives, who can neither give up the search for work nor its habits and beliefs:

It's the wrong attitude to have, I guess, but sometimes you get to a point of wanting to give up. You know you can't give up. But when you can't do anything, you have a feeling of total worthlessness. You're just worthless. (Jim Hughes, in Maurer, 1979: 43)

Given this analysis it is not difficult to understand why severe depression, mental disturbance, ill health and suicide have been linked with unemployment.

Travers has noted that it is the search that does not 'give up' in the face of an irrevocable loss that is to be regarded as pathological, since the subject can not begin a transition to new plans and assumptions (Travers, 1983b: 22). Hopson and Adams, as well as Travers, ignore the major difference between the loss of employment and the loss of other taken-for-granted realities such as a spouse: the loss of employment is not irrevocable. More than any other factor, this prolongs the period of 'lag' described above. Where the search for the lost individual is hopeless, the search for work is not. The loss of work can more accurately be compared to the loss of a loved person where they are 'missing'. In neither case can the process of mourning proceed. No rite of passage - such as a burial - marks the transition as beyond doubt. While even the missing person can ultimately be declared to be 'presumed dead' for all legal and practical purposes, there is no legal or social closure to the process of job search.

The unemployed are hindered from accepting and adjusting to their unemployment by this lack of closure. Workers may perceive that it is in their interests to maintain the attitudes and disciplines of work because these improve their chances to sell their labour to a new employer. (Of course workers may quickly return to work, as many do. If the return to work is effected during this period it would most likely be gladly embraced, with few difficulties of adaptation.) The institutions of the state which deal with the unemployed also prevent the unemployed from giving up the search for work. Most efforts are directed towards helping them to re-enter the workforce, to regain a 'normal' role and status. Job creation schemes are expressly targetted at the medium to long-term unemployed. Social security provisions still contain a work test even for the very long-term unemployed, and differences exist between payments intended for long-term support - pensions - and the unemployment benefit, which is designed as a stop-gap payment only. Unlike others who undergo a major life change, rarely are the unemployed
encouraged to adapt to the change, and to forge new lives and new activities
outside of the formal labour force.

Furthermore that long-term unemployment may become an acceptable way of
life and that structures might be put in place to make it more congenial is an
insight almost entirely absent from public debate about unemployment. 'Dole
bludger' is a term of social disapprobation used by those unsympathetic to the
unemployed. Those who see themselves as more enlightened and liberal defend the
unemployed from that disapprobation by asserting - without evidence - that the
unemployed *suis generis* (or at least by and large) do not 'bludge' but eagerly seek
work under difficult circumstances. The evidence (Eylan, 1986; White, 1983;
Sheppard and Belitsky, 1966) does not support this conclusion, particularly for
young people, and for those at longer durations of unemployment. Neither
argument, I would suggest, is as interesting for its reasoning as for the *common
social representation* about unemployment that it contains. Ironically, both evidence
the strength of the work ethic and the ideology of self-help as the most common
cultural approach to the unemployed. While the 'angry taxpayer' and the
'enlightened liberal' disagree about whether the unemployed are all eagerly seeking
work, on this they agree: that the unemployed *ought* to be seeking work and not
'dole bludging'. This makes 'giving up' the search for work and the transition to a
new way of life very difficult for the unemployed.

Finally, the separation of the unemployed from the culture of employment
should not be overstated. It is rarely complete. The finite province of meaning
which is the world of working is not only 'paramount' for the individual but it is
socially paramount. The meanings and consciousness of employment are represented
in television, newspapers and radio, and may affect the unemployed even though
they live their lives outside of the institution of employment. Within the immediate
social milieu of the unemployed there are also likely to be individuals who embody
the habits, meanings and consciousness of employment and who have expectations of
the unemployed which are consonant with them. Unlike bereavement unemployment
always permits of a chance, however slim it might become, of recovering the lost.
This increases the scope for the personal maintenance of work habits and meanings,
and allows onlookers to interpret any adaptive responses of the unemployed as
evidencing a lack of courage, drive, or determination.

At some point, the stress of continuing jobsearch and the falling likelihood of
regaining employment must outweigh the likely returns. At this point, despite all
pressure to the contrary, it would be better for the mental health of the long-term
unemployed if they gave up the search for work, let go of the habits and meanings of the working life, and became 'dole bludgers'. In long-term unemployment 'dole bludging' must be seen as a rational response to an irrational predicament.

3.4. Acceptance of unemployment and the generalisation of loss.

The concept of 'centrality' outlined above suggests that some losses will shatter an individuals' taken-for-granted world from the center outwards, like the radiating cracks in a pane of glass. Just as, in the natural attitude of everyday life, the subject naively takes his or her work for granted - as we all take for granted many aspects of our lives which were always fragile and subject to loss - now the unemployed person may be 'wide awake', and remove the 'accent of reality' not only from the job but from other areas of his or her life. Where doubt was previously suspended, now for the time being the unemployed may suspend certainty. The closer to the center of the lifeworld that a loss penetrates, the more widely generalised will be such a loss of certainty. The oral histories of the unemployed reviewed below suggest that lengthening unemployment may often result in such a generalised loss of certainty.

Bakke quotes a riveter who sums up the habitual dependence of a working man on the life of employment:

It takes it out of you when you've been working all yer life, and it puts years on to you. It's put years on my head, this past eleven months has.
Us men that's learned to work are lost without it. (a riveter, in Bakke, 1933: 62; my emphasis.)

Consequently unemployment not only puts them out of work but undermines the patterns and assumptions of their lives.

It forced me to face myself... I thought my job defined me and gave me security, and it was like a door I never looked behind. I never said, 'My God, what's behind it? What would happen if I lost the job?' ... it forced me to think constantly: What shall I do? What do I really want to do? What's most feasible to do? Where can I do it? Will I do it alone? (Laura Gordon, in Maurer, 1979: 67)

The centrality of the worker's employment may lead to the generalisation of this loss to many aspects of the worker's life:

I meet my friends, we're all out of work, and we go for a ride, bullshit, we go have coffee at somebody's house. We just chew up everything. The job, the world, everything. We get pissed at everybody. Together. Then, after you leave, you feel worse than when you went in. Because everything sucks, everything (laughs). (Billy Wong, in Maurer, 1979: 120-21)

Not only may the worker experience the loss of current employment but of a life plan:
...I think that there are certain kinds of depression you can't share. One of them is that ultimate depression, not over growing old, but over 'What do I really want to do with my life?' If the answer is a big zero, that's not something you can share... (Ruth Paster, in Maurer, 1979: 44)

Not only may the worker lose the limited purposes of his or her employment but lose all sense of purpose:

I stopped even looking for a job. In them two years I lost all bloody interest. I thought, 'What's the bloody point of it all, anyway? What's the reason for it all?... Why are yer here?' (Mr McBain, in Marsden and Duff, 1975; quoted in Fagin 1979-80: 48)

The worker may not only experience the loss of his or her accustomed place in the social division of labour but of the whole sense of identity:

It's difficult when you strip away all the things that supposedly hold you together in terms of an identity. Your work, your money, whatever is power to you, whatever is responsibility, whatever means freedom and choice. I had to ask myself, 'Who am I now?'. (Laura Gordon, in Maurer, 1979: 66)

This deeply anomic state may be painful to the subject, but the intense questioning which it brings may lead the unemployed to a search for new meanings and assumptions in which large parts of their former lives are cast into the melting-pot. Some of the unemployed may remain for a long time in this anomic state, devoid not only of the certain certainties of their former working lives but of the development of new purposes and meanings. Ultimately meaninglessness itself may be taken for granted, creating cynicism and amorality. If drug use, vandalism and violence are effects of unemployment, it is in the prolonged experience of this anomic that they are the most readily comprehensible. It may be that urban violence, soccer hooliganism and the punk subculture which have at times been linked with unemployment are explicable through this analysis.

3.5. The social division of labour and the search for new meanings

Hopson and Adams observe that eventually, new circumstances may be accepted as people begin to be freed from the assumptions of their former lives. The testing of new behaviour and assumptions follows. A broader search for meaning may ensue, a search for a new, more comprehensive and personal frame of reference.

In the search for a new world of meanings which may ultimately be taken for granted, we are moving from the treatment of unemployment as a loss to a view of unemployment as a gain. Not only can aspects of the employment relationship
which have been lost be used to explain variation in the experience of unemployment but aspects of the new reality gained can similarly be used. The degree to which individuals are successful in the quest for meanings other than those of employment can be related to the alternative meanings which are available to them already at the periphery of their taken-for-granted world. The availability of alternative meanings might be thought both to reduce the work attachment of individuals and to moderate their experience of unemployment.

The personal characteristics of the unemployed which have been found to contribute to variation in the levels of stress and distress suffered by the unemployed were reviewed in Chapter 2. Men were more likely to suffer distress than women. Men in their middle working years were more likely to be distressed than either younger or older men. Single women without children were, of all women, most likely to suffer distress, followed by married women without children. Married women with children were the least likely of all to suffer distress. While Hakim (1982) and Jackson et al (1983) proposed differential work attachment as an explanation which would draw together all these empirical findings, two observations appeared to remain unexplained by differential work attachment. A high concentration of unemployment locally was found to moderate the distress experienced, as were craft or other activities undertaken by the unemployed. Particularly the first of these factors appeared to point to the social milieu of the unemployed as an important explanatory factor.

A conclusion to their line of argument not drawn out by Hakim or by Jackson et al is that those identified as having a less traumatic experience of unemployment have available to them alternative roles in society which confer a legitimate meaning and identity apart from any role in the occupational structure. The availability of such alternative roles is determined by the social organisation of work in industrial capitalism, including the sexual division of labour. The sexual division of labour most often means that married women, if they participate in employment, also engage in domestic labour and child rearing. This is not generally true of men. Married women have, within their taken-for-granted world, alternative roles and meanings in which they are already engaged and which must lessen the centrality for them of employment. The loss of their employment, and the loss of the employment of their male partners, increases the labours of women since they have to do more with less. Maintaining adequate nutrition, a varied diet, and mending or buying clothing on a restricted income not only for herself but for her husband and children gives the wife and mother new meanings and activities, however unwelcome they might otherwise be. The husband in his middle years, not participating in
domestic tasks and stripped of the 'breadwinner' role which he pursued 'at work', may by contrast find himself helpless and inactive 'at home'.

Not only does industrial capitalism involve a sexual division of labour but an age-related division of labour. Childhood and youth are a portion of the lifecycle reserved for education while late middle and old age are reserved for retirement. The social division of labour thus creates within the taken-for-granted world of the younger or older worker alternatives which may not only provide meanings and activity in unemployment but lessen the centrality of employment within their taken-for-granted world. The older worker can in unemployment regard him or herself as 'retired', the young person can identify as a 'student', the wife as a 'housewife' and perhaps also as a 'mother', while the single, childless woman or the man in his middle years have no such common role which lends legitimacy to their enforced separation from wage labour. No wonder then if these unemployed individuals make their employment the central, fixed point of their taken-for-granted worlds and consequently suffer severe distress upon becoming unemployed. No wonder also if they are not able, readily, to grasp alternative meanings or activities, since these are not at hand.

The importance of alternative activity in predicting the mental health of the unemployed has already been noted, as has the greater ability of those of higher occupational status to find such alternative activity (recall Hepworth, 1980). The latter suggests that where the employment of the worker has been characterised by a low degree of initiative, in unemployment the worker may lack the wherewithall to generate his or her own work. Again it is an appealing approach to explain the variation in the experience of unemployment through variation in the experience of work. Those who remain active while unemployed might also be engaging in crafts in which they had an interest as a 'hobby', but for which they found little time while employed, thus creating for themselves other roles which are socially recognised, involve regular productive activity and confer status - those of the self employed artist or artisan.

In areas of high unemployment it would appear that a legitimate identity has been made of unemployment itself. Where unemployment is highly concentrated it may provide a guide to behaviour and meaning which is an accepted alternative to employment. As Jahoda, Lazarsfeld and Zeisel observed,

In places where not all people are pushed out of work at the same time, neglect and despair may set in at an earlier stage when the level of income is still higher. Comparison with the surrounding world seems to play its part in matters of mood and attitude. (1971: 82)
High local unemployment displays to the worker that life without employment is possible, even probable, and demonstrates the fragility of the wage labour relationship.

Where no alternative role is available to an individual within the social division of labour, and where he or she does not have the wherewithall nevertheless to create an alternative role with its attendant activity and meanings, other roles may be found which lend meaning to the enforced separation from wage labour. Mental or physical illness or disability, for example, are widely regarded as excusing an individual from employment. The benefit of playing out one of these roles is that unemployment need never be fully accepted. The unemployed can believe that their absence from wage labour is due to this or that condition or disability and that they would otherwise easily find work. This is an unfortunate role for an individual to adopt, but is explicable given the contradictions within which the unemployed individual lives for the time being during the period of ‘lag’. I do not wish to suggest that disability and ill health may not manifestly hamper the return to work. However, an individual may also gain an interest in maintaining the symptoms which establish the social legitimacy of his or her unemployment.

Of all the roles which may be adopted as an alternative to unemployment, that of the ‘student’ provides potentially more of the psychic functions which may be lost with the loss of employment, followed by the roles of ‘housewife’ and of ‘artisan’. The roles of ‘retired’ and ‘disabled’ are the least salutory, sharing with unemployment a continuing lack of necessary activity.

3.6. A note on school leavers

The analysis of unemployment has so far been closely related to the loss of work, its unintended functions and its culture. How is this analysis relevant to those who remain unemployed after leaving school?

The school is an institution which evidences a culture very similar to that of wage labour. School is often seen as preparing the student for the workplace. The unintended functions of employment which may fulfill social and psychic needs may also be provided at school. Furthermore hierarchy, formal or impersonal social relations with teachers and with other students, a rational time structure, emotional management, cognitive rationality and abstraction are all features of the social culture of the school which are promoted in the student. The division of time into classes and free time and the division of place into school and home mirror the divisions of the working life. Even gratification must be delayed until the bell or siren sounds which heralds the lunchbreak or day’s end.
The culture of the school is much more congruent with that of employment than with that of unemployment:

You know, when you get a job, you're going to find out how hard it is, definitely, when you've been out of work for a year. Obviously, when I'll be getting work it'll be strange to us, you know, but I'll just have to get used to it, that's all there is to it. On first leaving school, like, I could have gotten well into the job in two or three weeks like... If I was starting work from school it would be different, but leaving school, going on the dole, and starting work, it's three different things, you know. (Jimmy Weaver, in Marsden and Duff, 1975: 205)

The transition from school to long-term unemployment may be approached in terms very similar to the loss of employment. Important social or psychic functions may or may not be fulfilled by the school environment. Alternative, legitimate social roles may or may not be readily available to the subject. As a consequence employment may or may not be toward the center of the taken-for-granted world of the subject.

The differences in the experience of the school leaver are also important. The expectation that the student will eventually leave school must lessen its centrality in the taken-for-granted world of the student. Whether the end of schooling is regretted or welcomed, it has long been inevitable and the student is prepared for it. Leaving school is something of a rite of passage into adulthood, although it is a rite of passage which is completed at the commencement of a job. Leaving school is also the location of important decisions in the life of the individual. Will he or she go on to the higher certificate or to tertiary education, look for an apprenticeship, or join the army? The school leaver chooses a 'life plan' from an array of choices which is vast and largely unknown. Choices that are made are tentative and provisional, depending not only on the changing preferences of the student but on final grades, required entry scores, and employer selection. More and more as the final day approaches, the threat of unemployment must come into consideration. In direct contrast with the stable and habitual routine of the long-time worker, the world of the school leaver is characterised by uncertainty, unrealistic hopes and unfounded fears. Neither the world of working nor that of schooling can be taken as much for granted by the student as employment would be by the employee in his or her middle years. Of course, the student may have fairly fixed ambitions which may be used to create a sense of identity. The inability of the school leaver to realise those ambitions, however, is a loss in anticipation, and requires change to the projected life.

The transition from school to unemployment is gradual. School leavers grow
into unemployment from the extended leisure time of the long vacation. There is no necessary point at which the holiday ends and serious jobsearch must begin. The subject’s realisation that he or she is really ‘unemployed’ may dawn slowly:

... he just went on his holidays with us, and they were just used to being bored with school, and they were free for a few weeks. (parent, in Marsden and Duff, 1975: 191)

There is no abrupt, unexpected loss experienced by the school leaver. This could be expected to lessen the intensity of the search for work which is undertaken. School leavers search for a job, not for a lost reality which was central to their lives.

The school leaver has no experience of full-time employment as a way of life. Bakke observed:

The lack of ... work discipline is one of the factors in making the problem of the unemployed young man so difficult of solution. They have not had the same habitual experience of working day after day, week after week, and year after year, which the older men have. Work does not have the same pull on them as it does on the men to whom the job has become the cornerstone of their whole life. (Bakke, 1933: 64)

The student’s experience of long holidays might enhance their ability to cope with the extended ‘leisure time’ of unemployment. School leavers will typically increase their income as they leave school for unemployment. Never having drawn a full-time wage, unemployment benefits may not have the appearance of the poverty which it presents to an older worker with a family and a mortgage.

The school leaver very often has available a role alternative to wage labour: that of ‘student’. Many school leavers have the opportunity to continue their education in some form if employment is not found. Finally, the immediate milieu of the school leaver is characteristically different from that of the habitual worker. Their peers may similarly remain unemployed. The high rates of youth unemployment of recent years have been well publicised. This seems to have lowered the expectations of young school leavers. There is a greater acknowledgement of the possibility of remaining unemployed. Yet parents may have high expectations which they communicate forcefully to their unemployed son or daughter. Because the unemployed school leaver is unable to complete the transition from school to work, or from the parental home to independence, the individual is unable to ‘stand on his/her own two feet’. Consequently unemployment may be experienced both by parents and by the unemployed as a prolongation of childhood. Where the worker with a dependent spouse or children feels unable to fulfill a responsibility, the school leaver feels unable to fulfill expectations. The former is more likely to result in self-criticism and loss of self-esteem while the latter is more likely to erupt into conflict.
In summary, although the school is an institution which mirrors the requisite culture of wage labour, school leavers should undergo a more gradual and less traumatic transition to unemployment, and consequently more readily adopt the 'culture of unemployment' as their normal way of life.

3.7. Unemployment as culture

If the search for new meanings and assumptions is successful, Hopson and Adams observe that a new role, new meanings and new assumptions may be *internalised*. The intended habits, beliefs and consciousness appropriate to the wages-for-labour exchange relationship may be let go and replaced by new ways of life which accord more closely with the material life of unemployment. If this occurs, unemployment no longer remains an assemblage of losses but becomes a stable reality in itself which may become entirely 'normal' and taken-for-granted by the subject.

I'd like to see him getting a job now. I'm frightened of him getting used to it, that's what I'm frightened of, that's the danger, because I've witnessed it meself ...Well, I've got to a stage where I didn't want to go to work, and yet I've never lost a minute's work before this come on. (Jimmy Weaver's father, in Marsden and Duff, 1975: 204-205)

Whether or not there is greater inactivity, boredom, loneliness, helplessness or loss of self-esteem in unemployment or in wage-labour, there will be in unemployment a typical pattern of habits, beliefs and consciousness which are far less variable in the experience of the long-term unemployed. While the psychological effects of unemployment may not be marked, the cultural lives of the unemployed will be markedly different. This facet of the unemployment experience has rarely - if at all - been measured. At this level the culture of unemployment is not a subculture. The culture of unemployment may be defined in a way parallel to the culture of employment: *as a pattern of habits, beliefs and consciousness given their form by the social organisation of work in industrial capitalism*. While the 'disco' or 'punk' or 'soccer-hooligan' subcultures in Britain and to some extent in Australia, *may* be composed largely of unemployed people, the study of these subcultures does not greatly illuminate, but rather obscures the *commonalities* in the cultural experience of unemployment. Conversely an understanding of the culture of unemployment may reveal the commonalities in the lives of 'punk', 'disco' or 'soccer hooligan' unemployed youth, providing a secure basis from which to study their distinctive subcultures. While the 'deviant' subcultures in which unemployed youth participate may attract public attention, other unemployed people turn to family life or to the subcultures of religious associations, card circles, bingo nights or
the local pub; while yet others remain socially isolated. It does no good to the unemployed to associate unemployment with the behaviour of any small group of the unemployed, deviant or otherwise (compare Stromback, 1983: 1). Rather, it is important to an understanding of long-term unemployment to outline the structural constraints within which the unemployed live their lives and to indicate what are the effects of these constraints on their habits, beliefs and consciousness. It is on these more stable and enduring features of the life of unemployment that attention should be focussed.

A secondary theme in exploring the culture of unemployment is the disenchantment of the unemployed with the world of working. While new meanings may become taken for granted in unemployment, the oral histories of the unemployed demonstrate that they have often become 'wide awake' to their former working lives. Perhaps for the first time the relations of wage labour become visible. The unemployed begin to speak in terms of contrasts between what they used to take for granted and what they now see. In these contrasts the working life does not always appear to be preferred. The gaining of a new reality, a new role, is in the same movement a process of disenchantment with the former lifeworld. The reverse process to that of 'lag' takes place: the accent of reality has been lost from the world of working, and now its features are reinterpreted through the subject's new values and assumptions.

'Mr Dover' graphically sketches the impressions of the working world of a long-term unemployed man. Mark his feelings of estrangement - yet the lack of despair or regret. His viewpoint is like the dispassionate stance of the anthropologist, curiously observing an alien culture:

You know when you're in a field sometimes and you look at the insects and you see them all scurrying backwards and forwards, and you're up in the air and you're like God... they're all busy going backwards and forwards, all going somewhere. Well just recently, just this past year, I've had this feeling about people... you look and there are all these people rushing backwards and forwards, driving cars, riding on buses, going into shops, and they're all going somewhere. They've all got work to do, or they've got journeys to make, and I feel, 'What's it all for?' I feel outside it. It doesn't make me want to join in, it just makes me feel different. I really admire these guys who can get up and shave, and have breakfast and make a journey to work, and come home again, and have meals - guys who can do all that in one day! I don't know how they can manage it. (Mr Dover, in Marsden and Duff, 1975: 211)

The authors of 'Marienthal' placed the loss of time rationality at the center of their exposition of the experience of unemployment, devoting to it a chapter. Their descriptions are powerful, poignant, and illustrative of the vastly different experience of time of the unemployed.
Anyone who knows how tenaciously the working class has fought for more leisure ever since it began to fight for its rights might think that even amidst the misery of unemployment, men would still benefit from having unlimited free time. On examination this leisure proves to be a tragic gift. Cut off from their work and deprived of contact with the outside world, the workers of Marienthal have lost the material and moral incentives to make use of their time. Now that they are no longer under any pressure, they undertake nothing new and drift gradually out of an ordered existence into one that is undisciplined and empty. Looking back over any period of this free time, they are unable to recall anything worth mentioning. (Jahoda et al, 1971: 66)

The absence of arbitrary, institutionalised divisions in the experience of time, including the lack of 'deadlines', is a major constant in the experience of prolonged unemployment. No longer does the time rationality of the working day circumscribe the hours of waking, dining or retiring:

I keep waking up. I usually watch the telly till about one o'clock or something and then I go to bed. When I was at work I was always in bed about eleven o'clock, then, wasn't I? ...Well, when you're unemployed, you're not tired at one o'clock. You can just sit up all night and then just go to bed when you feel like it. (Mr Nottingly, in Marsden and Duff, 1975: 193)

That this absence of time rationality does not depend on the activity or inactivity of the individual is attested to by an unemployed man who is a would-be writer:

I get up late usually. I hate to get up early. I probably sleep till about ten. Then I get up and doddle around, and the guilt starts about 10:30. I feel terribly guilty till about noon or one and after I start feeling really bad, then I start writing so I won't feel guilty anymore. I try to discipline myself to a ten-to-four... schedule, but I can't start working that early. (Dick Franco, in Maurer, 1979: 112)

Marsden and Duff (1975: 210-211) present the thoughts of 'Mr Dover' on the experience of time of he and his spouse. The couple preserve a routine of a rudimentary kind, but it is not governed by the rational apportioning of time. Behaviour remains somewhat patterned and predictable but punctuality has lost its meaning:

We have a routine on everything except timing. We've got no clock, but we have fixed routines. Our routine is basically to get up some time, you know... I was going to stop in bed today, but the sun started to shine and I got up. But what ever time we do get up, this is the sort of routine. We go down to Spratt's... and buy a newspaper, and then get some bread and next door to get some milk... Sometimes when we get up we've got no idea what time it is. We ask the man at the shop what time it is. It might be seven o'clock', it was seven o'clock this morning; I was surprised. Or it might be three o'clock in the afternoon... We haven't much sense of time. Sometimes we'll be sitting here and we'll say, 'Let's go down for a game of darts in the pub,' and we'll go down to the pub and the pub will be closed... (Mr Dover, in Marsden and Duff, 1975: 210)
Where time in employment is divided by the clock, time in unemployment may be divided by significant events, the television program, or the weather. It may be characterised by the kind of task-orientation which typified the labour of pre-industrial Britain (recall Chapter 1). Between such points of demarcation, the activity of the unemployed is not circumscribed by arbitrary divisions, but may be desultory, planless, and contingent:

Some insignificant trifle determines how the next half-hour will be spent. It is, in fact, so trivial that the man is scarcely conscious of it; if he has to give a report of it later, he finds that it has long since slipped his mind. (Jahoda et al, 1971: 67)

The culture of unemployment is also typified by the absence of formality and distance in common relationships. The social world of the unemployed is largely restricted to the personal relationships of the immediate milieu of family, friends and neighbourhood. The unemployed have no necessary relationship with those not of their social class, ethnic group, religion or locality. As a consequence social scope is restricted.

Where the workplace is of necessity characterised by formal social relationships, in unemployment the individual is much less subject to them. Only in dealings with the Social Security or CES staff, or in other dealings with bureaucracy, must the unemployed separate an other's function from the other's real selves. Because they no longer take this separation for granted in their daily lives the long-term unemployed are notoriously unable to do this, but may see the staff with whom they deal as 'stuffed shirts' - a neat analogy for the separation of person and function. The unemployed may also demand to be dealt with as 'more than just a number' or as an individual case. Personal anger at office staff evidences the unwillingness of some of the unemployed to accept the rational rules which govern their benefit payments. The unemployed may no longer accept the moral 'distance' between the worker and the rules which they follow:

And there's no one person you can blame... They blame the city. You know, 'The City'. I just feel that it's very evil. Before... I just felt... you adjust to the circumstances and the institutions that are there. And you work because you have to work. Now I feel much more critical about the kinds of organisations I'll work for and the things I'll support because I feel I must take responsibility for the kinds of jobs I have. I can't just be an impersonal, idle part of it. If you work, you contribute to a system, whether you think its good or bad... (Susan Casey, in Maurer, 1979: 70-71)

In unemployment the subject may undergo a disenchantment with the former division of their work function from their own 'real' selves:
... over the months I think what I have learned was about my responsibility for myself. In a deep sense, I still haven’t mastered it, but I got a glimpse. I saw that no job, no person ... no nothing is going to do it for me. I have to do it myself... But I’ve come to realise that anything I really love, I can make my work. I can do it myself if I want... I guess I knew that before on some level, but I don’t think I would have chanced it. Probably would have stayed in some little niche... I have a much stronger sense of well-being than I did a few months back. I don’t feel lost... I don’t feel my self is lost. You are who you are no matter what your job is. Maybe it takes people a lifetime to learn that. I hope I’ve gone through a big chunk of it with this experience of unemployment. (Laura Gordon, in Maurer, 1979: 68; my emphasis)

There is no longer any need for emotional management when the jobless largely live their lives outside of institutional constraints. Emotional expression can be given free reign. No longer must individuals live any part of their lives in a way which is ‘tongue-in-cheek’ but they may participate in all their actions as engaged, feeling and moral actors.

In unemployment, there is no boss and no subordinate. While the jobless may experience powerlessness in their dealings with the CES or Social Security Department the pervasive experience of hierarchy which typifies the workplace is absent. Often the locus of power in the workplace really stands out to the individual once they are fired. Until then it has been an unspoken condition.

...my boss said, ‘It’s coming from the head office...’ My boss even said to me, ‘My God, I wish you had that degree because I don’t want to get rid of you.’ I resented it a lot, though. I resented the fact that somebody I didn’t know, and who didn’t know me or the kind of job I could do, was dictating my life. (Jack Dustin, in Maurer, 1979: 91)

Getting fired leads to a major disenchantment. The worker now sees, perhaps for the first time, that the wages-for-labour exchange is an unequal relationship, and understands his or her powerlessness:

... it doesn’t really matter how hard you work. The decisions on whether you go or stay have nothing to do with your work. I’d always heard about that, but I’d never seen it happen. People’s lives destroyed like that... what is the point of working hard when it all goes down the drain? (Ruth Paster, in Maurer, 1979: 47)

As a consequence, in unemployment the authorities which were once accepted may no longer be accepted as either disinterested or legitimate. People are just people, not the roles they play within a power structure:

And then I go downtown and see all these white dudes in suits. I’ll be thinking, ‘Wow, they’re human beings just like me’... Every time I see a white man in a suit I go through changes. I guess I’m looking at the power structure there... walking on the street, I feel like I have to step out
of their way. Then I say, 'The heck with that. They're gonna step out of my way.' Or not even that. Shoot, why should either one of us have to step out of the way? (Ron Brett, in Maurer, 1979: 83)

For the jobless the ethic of delayed gratification loses its relevance. There is insufficient money with which to delay gratification. *Working* time is not demarcated from *consuming* time. Enjoyment must be in the present or not at all. It can not be stored up or deferred. Nothing can convey the sense of this more poignantly than the words of this unemployed man:

At first I was depressed. God, was I depressed! ... I was really down. Really, really, really down... To have to think I would have to completely leave the style of life I had lived for those years... I'd lay in bed at night and wonder what was gonna happen.

... I started being with Vicki a little more. We'd do things that didn't cost a lot of money. She liked it, and I liked it. It changed my whole outlook.

...It felt good to have all my days for me. I did a lot of thinking, a lot of working with my hands, things that made me happy when I was younger. I got back into painting and music... I used to work with my hands a lot when I was growing up... And now I've got time to do it again. It's nice.

... maybe during the day I'll do some painting or sketching or photography. Then in the evening we're usually over at some friend's house, or we have people over. Listen to some music, fix dinner, wash the dishes. Around midnight we take off and go play a little pool, or walk through the park, or just walk around the neighbourhood...

We usually hit the sack around three and talk till the sun comes up. Then sleep till noon. We play tennis a lot, too. Real tennis nuts. Do some hiking, some running.

Mainly for me it's just going out and seeing what I am. I had to get to know myself after those years at the company. So I go walking in the woods, or by the lake, and watch the colors and think about what makes me happy. What *really* makes me happy. And I see that living around here makes me happy. Being free to do what I want makes me happy. I've got a zillion house plants and they make me happy. Talking makes me happy. A lot of things that don't cost money...

In fact, I don't know when I've ever been so happy. Sitting out here, not a worry in the world. Isn't it a gorgeous day? (Jack Dustin, in Maurer, 1979: 91-94)

This sense of immediate enjoyment is the death of the work ethic in the individual. This is not to say that the long-term unemployed may not value good work. But when life is lived in the present moment work itself has to be gratifying. Once the unemployed have survived the loss of work and established new meanings, purposes and pleasures, why should employment be sought at any cost?
I would rather not work for another two years than take a job that I didn't like, where I would drive myself crazy over something that I didn't care about. Because what is the point of working that hard when it all goes down the drain? What does it really mean? What do you have to show for it? Now I no longer fly into a frenzy after every interview, wondering if I'm going to get the job or not. If I get it, OK; if not, that's OK too. I've changed. (Ruth Paster, in Maurer, 1979: 47)

The segregation of the workplace from the home was found to separate the life of the worker into two theatres of activity, those of 'work' and 'life'. By contrast, for the unemployed the place of living, eating, and sleeping also becomes the place for the passing of the day, including any productive activity which is undertaken. There is a re-unification of 'work' and 'life'. If the unemployed engage in craft work for instance, the hours of such work are not fenced off from the hours of cooking, gardening, letter-writing or just sitting and thinking. Consequently the lives of the unemployed are characterised far more by 'task-orientation' than is common in employment. This orientation they share with domestic labourers, tertiary students, and some self-employed or employed individuals who work from home.

At the same time there is a reduction in the effective scope of the individual. The world of places, things and people is narrowed to the home and the locality. Where once the unemployed may have travelled across town to work, now such journeys are not necessary. Where once they met people from other social strata, ethnic groups or religious affiliations in the course of their work, now they do not necessarily interact with others who are not of their immediate group. It is an entirely open question whether such a reduction in the effective scope of the individual has ramifications in consciousness. Where the geographic and social life of the individual becomes more parochial, so may their beliefs and attitudes. There may be a narrowing of their cognitive world, of their mental scope, perhaps even of their vocabulary. Unemployment may result in a narrowing of the world of meanings.

Finally, the cognitive style of unemployment is predicated on different objective relations than those of the workplace. Where the cognitive style of industrial production was summed up as evidencing componentality, interdependence of components, the separability of means and ends and implicit abstraction, no objective condition or relation in unemployment constrains the subject to such a rational and segmented consciousness. Rather, time and place are all of one piece, undifferentiated by arbitrary divisions. Enjoyment is in the present moment and the subject lives in and through his or her immediate actions. No longer need the long-
term unemployed separate their means from their ends. Perhaps for the first time they may perceive that this separation existed in their working lives:

... you have no say about what's going on. You're expected to just be a robot. Do this, do this, do this. You're not supposed to ask why. You can be building some kind of trash and you aren't supposed to care about what you're doing. The kind of work I've enjoyed most is helping a friend to build a house... Something where I feel like I'm involved in it as a total person. Where I'm not building something without knowing why. (Leo Johnson, in Maurer, 1979: 109)

The culture of employment, within the industrial capitalist organisation of work above all displays what Weber has identified as 'rationality'. Time is rationally apportioned. Emotional management is required. Experience is segmented into work and life, work and home, self and function, means and ends. Hierarchy is pervasive. Gratification is stored up for future use. The rational segmentation of experience in employment may be contrasted with the unification of experience in long-term unemployment. Time is all of one piece. Emotion may be given free reign. No one tells you what to do. Life and work, home and work, have but one space. Enjoyment must be in the here and now. The self is continuously experienced in a unitary way.

3.8. Conclusion

The variability of the personal experience accompanying the transition to unemployment can not be regarded as a consequence of personal characteristics, 'values' or attachments inherent in the individual. It arises from a process of loss and attachment which takes place in a crucible of cultural change. Unemployment can not be understood without the closest reference to the social organisation of work in industrial capitalism. The social apportionment of good work determines the degree to which unemployment is experienced as deprivation. The sexual and age-related division of labour determines the availability, within the lifeworld of the subject, of alternative roles which may fulfill some of these functions and thus lessen the stress of unemployment. The balance of these losses and gains will determine the level of distress, boredom, or loneliness of the unemployed. The absence of the intended habits, beliefs and consciousness of work creates the culture typical of unemployment.

At the same time, the model of cultural change which I have introduced has given a view of the experience of unemployment as a process of loss and attachment. The experience of unemployment can not be studied as a universal syndrome of deprivations, or as an aberrant, abnormal state, but common realities
stand to be gained as well as lost. In distinguishing the necessary from the contingent in the culture of unemployment, the study of unemployment moves from an overconcentration on psychological trauma to the search for habits, beliefs and consciousness which are created in long-term unemployment by a continued separation from wage labour.

Such a culture of unemployment has immediate implications for the return to work of an individual who has made unemployment his or her normal way of life. The culture of unemployment also has broader social implications than those commonly identified in concerns with suicide, ill health and mental illness. These issues are addressed in the chapters which follow.
Chapter 4
Getting into Wage Labour

In the Youth Manpower Programs (YMP) evaluation conducted in the Bureau of Labour Market Research, some 28 per cent of all trainees were found to separate from training schemes. Over one-third of these left only to remain continuously unemployed for the following six to eight months. Such high rates of separation and subsequent failure in the labour market can best be understood as a lack of provision in the workplace for those not habituated to the culture of wage labour.

4.1. Theoretical approaches

A conventional approach to the problem of training scheme separation has been to focus on the long-term unemployed individual's 'problems', be they psychological or attitudinal. In prolonged unemployment, it is argued, the psychological consequences of unemployment become deeply ingrained, making the individual unresponsive to assistance. In Australia this has come to be known as 'scarring'.

In the USA, the nature of the government's program funding encouraged a focus on the individual. The late 'sixties and early 'seventies in the USA saw a major effort to promote the employment of what came to be known as the 'hard-core' unemployed, that is, inner city ghetto dwellers of whom the majority were black. The major funding was for the design and implementation of pre-job training and job-placement schemes. Correspondingly the research effort which followed was concerned to evaluate the success of these schemes. Frequently such training focussed on worker attitudes and self-presentation and often relied on role plays to achieve its goals. As a result the evaluation research also concentrated on individual level variables. Salipante and Goodman have criticised this approach to training the long-term unemployed as a-theoretical. They believe that it was based on a mistaken assumption about the ease of modifying the habits and beliefs of the long-term jobless (1976: 1).

Travers (1983a) has taken two critical approaches to the focus on the individual. The first is empirical. He argues that there is no evidence of the
 permanence or otherwise of the personal or psychological consequences of unemployment.

If they can be reversed as easily as they occur ... there is no reason to pay much attention to the psychological ill-effects in the design of schemes which seek to alleviate the burden of unemployment. (Travers, 1983a: 27)

There is little evidence to support the 'scarring' hypothesis. The study by Quinn et al. (1970) cited by Goodman, Salipante and Paransky (1973: 25) introduced some 21 indexes of personality, attitudes and values, of which only two were found to be significantly related to rates of separation, one in a direction contrary to that hypothesised. Similarly Frank (1969), also cited by Goodman, Salipante and Paransky (1973: 25) used an even more extensive group of tests and found few significant relationships. Unemployment is too much regarded as an aberrant state. Not only is there no evidence that the psychological effects of unemployment are lasting but there is a growing body of evidence, reviewed in Chapter 2, that unemployment does not always produce psychological ill-effects at all.

Traver's second criticism of the scarring hypothesis is more theoretical. Travers urges the view that the scarring hypothesis confuses lack of opportunity and personal pathology:

There are two mechanisms by which unemployment might have a lasting effect on its teenage victims. One would be if they were 'tracked' along routes that excluded them from entry to desirable occupations ...consigned permanently to a secondary labour market of poorly paid, dangerous or menial jobs ...this excluding mechanism can operate irrespective of any changes wrought within the unemployed person... The second mechanism... would be if the unemployed were so changed by their experience that they became incapable of taking advantage of present or future opportunities ...it runs the risk of making the lot of the unemployed worse by a too-ready association of unemployment and pathology. (Travers, 1983a: 20)

Travers is concerned that the scarring hypothesis will take away attention from the structure of opportunity or, worse, that it will become a self-fulfilling prophecy - the long-term jobless, he fears, could be excluded from opportunities because of their supposed pathology.

This criticism of the scarring hypothesis echoes the conclusions of US researchers of the early 'seventies. Rejecting the emphasis on changing the individual, Friedlander and Greenberg (1971) and Goodman and Salipante (1976) concluded that the workplace, not the worker, should be changed. In particular they focussed on the provision of on-the-job counselling, sympathetic supervisors and colleagues, and variation in organisational rewards such as pay levels, opportunity for promotion, job security, and the worker's job skill level. Their findings, discussed below, appeared strongly to support their arguments.
While Travers' criticisms are apposite their implications should not be too readily accepted. His argument suggests that the long-term unemployed would naturally make good if worthwhile work was presented to them. If the effects of unemployment on the subject were limited, as Travers suggests, to temporary psychological effects such as depression or loss of self-esteem, a painless, indeed joyful resumption of work could be expected. This, the YMP evaluation has demonstrated, is also not true in a substantial number of cases. There is a need for a theory which both avoids the too-ready association of unemployment and personal pathology and yet provides some justification for understanding the transition to wage labour of the long-term unemployed as sometimes painful, laborious, and full of conflict.

The literature describing the personal effects of unemployment and their mediating factors and that examining factors which enhance or retard the return to work of the long-term jobless have remained surprisingly separate. There are few references to the other literature in either body of research. The theoretical structures and empirical tools have also remained separate. The lack of cross-fertilisation is surprising since the transitions from work to unemployment and from unemployment to work are reverse movements. While research concerned with the former has continued to stress the psychological effects of unemployment on the individual and their cycle of adjustment to unemployment, that concerned with the latter has moved towards more institutional and cultural explanations. Particularly because the return to work of the long-term jobless is often a scene of conflict, writers have more frequently appealed to the concept of culture as an explanation, although few have done so in any systematic or theoretical way.

An exception is the work of Triandis et al. (1974) who proposed a cross-cultural psychological approach to the training of what they called the 'hard to employ': black, inner-city ghetto residents in the United States. The authors concentrated on psychological variables and on language in contrasting the cultures of the ghetto and the workplace. Their model of 'culture' is similar to what I have called 'subculture' in Chapter 3. It relies heavily on the understanding of the black ghetto culture developed by Valentine, originator of the 'culture of poverty' hypothesis. This model of the culture of unemployment emphasises the peculiar argot of the ghetto, the prevalence of 'non-standard' family patterns, moral laxity, distrust of authority, and the perception of little or no connection between events occurring in the environment. While this approach stresses that the return to work can be the focus of cultural conflict and misunderstanding, it can not be generalised to the unemployed outside the ghetto. It focuses on a subculture which is
geographically unique. Unemployed Australians by and large live in conditions far removed from those of the black ghetto of urban America.

Triandis et al. propose that pre-employment training may be effective if it interprets the subcultures of the trainee and of the supervisor, respectively, to the supervisor and to the trainee. Training is designed to avoid culturally misunderstood communication. The authors provide no theoretical link between the subculture of the ghetto and the structural constraints of unemployment, or the subculture of the work-setting and the requirements of the industrial organisation of work. Consequently the model of ‘culture’ which the authors use is that of a subjective creation of group life which is structurally unconstrained, and thus is easily altered. I have argued above that the lives both of the long-term unemployed and of the wage labourer are objectively constrained in ways which produce divergent habits as well as consciousness. This is a more substantial view of culture which is also able to be more widely generalised.

4.2. Getting a job as a cultural change

Just as the movement from wage labour to unemployment has been described as a process of cultural adaptation, so the return to wage labour is open to a similar analysis. Each can only be understood as a movement from and to distinct institutional locations in the social organisation of production of industrial capitalism. If the culture of unemployment has come to be taken for granted by the subject, the return to wage labour might be experienced as a loss similar to that often experienced upon becoming unemployed. The long-term jobless have become habituated to a life whose forms differ greatly from that of employment. Those returning to wage labour may lose:

- the unity of their living space and their work space;
- the freedom to create their own work, their own purposes, and their own time;
- the freedom spontaneously to act out their emotions or their ethics;
- the freedom from hierarchy; and
- opportunities for intimate relationships with family or friends which were not interrupted by the hours of employment.

Whether these freedoms were experienced as a joy or as a burden, the absence of rational divisions of time, role, rank or place imparts to the life of unemployment a ‘seamless’ quality which is lost on the return to employment. Again, the normality of the life of unemployment for the long-term jobless should be asserted, however
strange it might appear to those of us who habitually sell our labour and for whom its rational divisions pervade the capillaries of experience.

While the return to work may be discussed using the same concepts of cultural change and adaptation which was used to explain the loss of work, there are important differences between losing and gaining work. The habits, meanings and consciousness of unemployment are unlikely ever to be as central for the jobless as those of wage labour potentially are to the employee. Employment as a stable way of life is socially more paramount than unemployment. Many of the jobless have previously been in wage labour. While the employed may close their eyes to the existence of long-term involuntary unemployment and the possibility that it might one day affect themselves, the unemployed can not close their eyes to the existence of wage labour. While unemployment may ultimately be embraced by the jobless as their normal way of life it does not generally carry the stamp of social legitimacy and status of employment. For all these reasons the loss of the taken-for-granted world of unemployment will not involve such a deep experience of the loss of a culture.

In moving from wage labour to unemployment and back again the subject may become increasingly ‘wide awake’ to the social constraints and the fragility of the wages-for-labour exchange. This process of ‘disenchantment’ has been described above (Chapter 3). Finally, the transition to work from unemployment is not characterised by the same degree of compulsion as getting laid off. The ultimate power held by workers over conditions of labour that they experience as unrewarding is the withdrawal of their labour. While unemployment is often involuntary, the return to work from long-term unemployment is both more voluntary and more ‘wide-awake’.

The distinction between the intended and unintended in the culture of wage labour was important to understanding the transition to unemployment. This distinction also suggests fruitful insights concerning the transition to wage labour. The longer the unemployed have been separated from wage labour, the less habitual and the more problematic become the intended habits, beliefs and consciousness of the wage labour relationship. The necessary habits, beliefs and consciousness of the workplace are potential sites of cultural conflict between the habitual unemployed and the existing workforce. If the initiate is to adapt to the expected culture of the workplace, he or she must be persuaded to stay long enough to do so. Perhaps ironically there is nothing inherently advantageous to the jobless in the intended habits, beliefs and consciousness of the wages-for-labour exchange, namely time
structuring by the clock, subordination, formal relations, emotional management, delayed gratification or rationality in consciousness. The gains to the unemployed must be in terms of the unintended functions of work which may fulfill in greater or lesser measure their social, psychic or physical needs. These highly variable functions of employment may be used to explain whether or not the trainee adapts to the culture of employment or separates from the job. Further, the social relations which the workplace may provide have the potential to mediate the culture of wage labour to the long-term jobless.

While there is some evidence to support these arguments, the existing evidence is not sufficient to inform all aspects of the theoretical structure outlined above. While it is useful to examine the existing findings for supporting and contradictory evidence, to view the transition from long-term unemployment to wage-labour as a process of cultural adaptation largely must remain a program for research.

4.3. The limitations of available evidence

Much of the US research has been concerned with evaluating schemes designed to speed the entry into employment of black, so-called 'hard-core' unemployed of the inner-city ghettos of major cities. In this literature many authors have not reported important characteristics of their samples, such as their duration of unemployment. No study has used the duration of unemployment as an independent variable. Furthermore no study has measured dependent variables which chronicle the experiences of loss, depression or helplessness of those entering employment, much less their cultural bewilderment.

Few of the US 'hard-core' jobless referred to in the literature would be expected to be characterised by the 'culture of unemployment' as defined above. Friedlander and Greenberg report an average duration of unemployment of 15 weeks for their sample, which is not long by comparison with entrants into Australian wage subsidy or training schemes who are now generally required to have at least 26 weeks of unemployment to qualify for programs. The average completed duration of unemployment in Australia has been 30 weeks or over since 1984. Fifteen weeks must be considered too short a time to become habituated to a new way of life. Friedlander and Greenberg (1971: 288) further indicate that their sample was 82 per cent male, 91 per cent black, poorly educated, and that 20 per cent had police records other than traffic violations or misdemeanors. It is quite likely that the population described as the 'hard-core' unemployed by the US studies of the late 'sixties and early 'seventies was distinguished less by very long unemployment durations than by structural disadvantages of location, race and education, perhaps
resulting in histories of marginal employment rather than long-term unemployment. Certainly it can not be assumed that the US 'hard-core' unemployed of the 'sixties and 'seventies are comparable with the Australian long-term jobless of the 'eighties.

While the American research has limited application in Australia there is little domestic evidence available. The evaluations of the Wage Pause Program and the Community Employment Program carried out by the BLMR did not address the question of scheme separation. The sole local data currently available is the BLMR evaluation study of the Youth Manpower Programs (YMP). This evaluation addressed a range of programs, including general pre-employment education, pre-apprenticeship, and subsidised employment programs. These differences allow a comparative analysis of the scheme's rates of separation in the light of their differing provisions.

In the absence of other measures of problems of adaptation to wage labour the dependent variable to which most reference is made in this chapter is the rate of job or training scheme separation. Why do many of the long-term unemployed quit wage labour, or quit the schemes designed to ready them for this role? In this enquiry the simple separation rate is not the one of most theoretical interest. In the gross separation rate two effects are confounded. Some long-term unemployed will quit because they have found - by their own initiative - employment which is of a better quality, is more immediately available, or offers greater security than that likely to result from the schemes. Others will leave because they are unable or unwilling to adjust to the demands of wage labour and consequently leave employment for an extended period. Job changers are therefore to be distinguished from those who undergo long-term employment separation. The two groups are likely to differ markedly. The second is the group which is the more likely to exhibit aspects of the culture of unemployment. None of the US research reviewed distinguishes the two groups. As a result, it is not at all clear in the research from the USA which group is being measured when a particular variable is found to predict gross 'job separation'. Where no effect is found the two groups identified may be creating opposing movements which cancel out.

The reasons for scheme separation are crucial in determining whether, from the point of view of the individual and the scheme itself, a particular scheme separation was desirable or not. If a participant finds work during the course of a scheme this must be counted a success for both. Program separation is a concern for labour market policy only if those who separate from programs subsequently do not find employment. To identify this group requires a post-program follow-up of trainees.
Such a follow-up was conducted in the YMP evaluation. In describing the separation of individuals from the YMP I use a dependent variable which expresses the proportion of scheme entrants who separated from a scheme placement, either because they quit or because they were fired, and who did not do any full-time work in the following six to eight months until the follow-up survey. This variable, the rate of 'long-term employment separation' or LTES, reflects a further removal from employment of the participant and the ultimate failure of the scheme. As indicated above, while 28 per cent of all YMP entrants did not complete their placements, the LTES rate was 10 per cent.

A limitation that the YMP research shared with much of the US research was the lack of a control group. Consequently it is not possible to determine whether the high rates of scheme separation evidenced are higher than those which would be suffered among a similar group of the jobless entering unsubsidised employment or training. A further methodological problem of some importance is that in no study reviewed has the rate of separation of the long-term unemployed been compared with that of the general population. While it appears to be high, is it high by comparison?

Despite these limitations, at the conclusion of my literature reviewing the YMP research - which first suggested the explanatory value of viewing unemployment as a culture - still provides the best evidence available that cultural factors inhibit the return to work of the long-term unemployed. This is little cause for satisfaction since the YMP evidence was never more than suggestive. The approach outlined largely remains a program for research.

4.4. Employment as loss

4.4.1. The duration of unemployment

Those who have been jobless for longer would be expected more greatly to exemplify the culture of unemployment. Consequently it could be expected that problems of adjustment would be more marked, and that resulting rates of LTES would be higher, the longer was the previous spell of unemployment. This expectation is supported by research findings from the YMP evaluation. Those who entered the YMP with an unemployment duration of less than three months had a low LTES rate of 4 per cent. By contrast those with spells of unemployment of three to nine months or of nine months and over had rates of LTES of 10 and 17 per cent respectively. This relationship between unemployment duration and scheme separation remained when the differing duration requirements for program eligibility were controlled.
While this finding tends to support expectations, other explanations cannot be ruled out. The 'scarring hypothesis' would predict a similar relationship. Further, the labour market is commonly seen as a sorting process in which only the least able and most poorly motivated remain unemployed for long durations. Those originally less motivated would also be less motivated to remain in training schemes.

4.4.2. The availability of alternative roles

It was argued above (Chapter 3) that those who have alternative roles to wage labour available to them are more likely to make an easy transition to the culture of unemployment. Conversely, I expect that the same groups would suffer greater loss in leaving unemployment and have a lesser motivation to complete the return to wage labour. Whether the availability of alternative roles has an impact on the likelihood of long-term employment separation can not be determined from the Youth Manpower Programs evaluation because the sample was too homogeneous. All trainees in the various schemes were aged between 16 and 25, few being aged over 19 years. Many would have had 'student' roles of some kind open to them.

Goodman, Salipante and Paransky (1973), in their exhaustive review of the empirical literature from the late 'sixties and early 'seventies in the USA, have outlined the individual characteristics which are predictive of the job separation of the 'hard-core' unemployed.

- Trainees under 21 years of age were reported in a number of studies to be more likely to separate from employment than those aged 21 or over (Goodman, Salipante and Paransky, 1973: 24), perhaps reflecting the availability of the 'student' role to the younger entrant, as well as the lesser habituation to employment of the school leaver.

- Married trainees were less likely to separate than others but the number of dependent children was generally found to be unrelated to retention. Unfortunately these findings were not reported according to the sex of the respondent. My model would predict that marriage and dependent children lessen the centrality of employment for women because they provide them with a role alternative, but that this relationship would not hold for men. There is some evidence for this: male 'hard-core' unemployed who were the main breadwinner in a family were less likely to separate than other men.

- A finding contradictory to my expectations was that female job retention was significantly higher than that of males (Goodman, Salipante and Paransky, 1973: 24). This finding was noted by a number of studies cited by Goodman, Salipante and Paransky, but it is not clear from their article whether this finding was from a multivariate model controlling for marital status, age and the existence of dependent children. If it was then it does not necessarily contradict expectations.
No study has been identified which has examined the effect of the level of unemployment in the immediate milieu on the likelihood of LTES. However Goodman, Salipante and Paransky (1973: 28) cite evidence that 'hard-core' jobless trainees who remained in the lowest earnings quartile more often came from families where a greater proportion of the adult males were unemployed.

4.5. Disenchantment with wage labour

Those who were sacked have experienced at first hand the fragility of the wage labour relationship and are likely to have become 'wide awake' to the requisites of the wages-for-labour exchange. Does this process of 'disenchantment' result in higher rates of long-term employment separation? There is evidence from the YMP evaluation that it does. Those who were retrenched, sacked, or otherwise involuntarily jobless had a high LTES rate of 14 per cent. Those who left their previous job voluntarily had a lower LTES rate of 11 per cent, even though they had exhibited an earlier propensity to separate from a job. Those who were unemployed school leavers or were otherwise entering the labour market for the first time had the lowest rate of LTES of less than 4 per cent. Goodman, Salipante and Paransky (1973: 28) cite US evidence that the rate of job separation of 'hard-core' unemployed trainees was higher for those with more than two jobs during the previous two-year period than for others (54 and 25 per cent respectively). Other studies reviewed by them made similar findings. While it seems logical that previous job-changing should be related to future job-changing behaviour, it is not readily apparent why it should result in long-term employment separation. Perhaps alternate spells of unemployment and wage labour reduce the centrality of employment in the world of the subject because of the continual juxtaposition of alternative ways of life.

4.6. Cultural conflict in the workplace

The major reasons for withdrawal given by participants in the wage subsidy components of the YMP (the SYETP programs) who did not leave for a job was that they did not get on with their supervisor or colleagues. Employers were most likely to sack their trainees because of the trainees' lack of punctuality or absenteeism. These findings are reflected in US research. Goodale (1973) found that supervision was an often-reported source of dissatisfaction among 'hard-core' unemployed trainees, while Friedlander and Greenberg found that supervisor supportiveness was related to retention. As Hayes and Nutman indicate (1981: 140), both of these findings are consistent with Beatty's (1974) finding that the 'hard core' trainee responds favourably to consideration and support, but unfavourably to
highly structuring or limiting styles of supervision. Friedlander and Greenberg (1971: 292) asked the supervisors of their sample of ‘hard-core’ unemployed to compare the work performance of the new hires with that of other employees. They found that the work of ‘hard-core’ hires was comparable to that of existing employees: the problems recorded by supervisors were related to lateness and absence, not competence. Evidence from the USA indicates that absenteeism, lateness, and turnover rates are more than usually high among the previously ‘hard-core’ jobless (Triandis et al., 1974; Friedlander and Greenberg, 1971).

Each of these findings may be interpreted as consistent with a cultural conflict model. Conflict with supervisors may evidence that the trainee is not habituated to subordination. Conflict with colleagues may evidence that the long-term unemployed are no longer habituated to formal relationships or to emotional ‘coolness’. Absenteeism and lack of punctuality may evidence the loss of time rationality which is commonly associated with long-term unemployment.

The US studies which focussed on absenteeism and lateness saw them as expressions of worker discontent (ie Friedlander and Greenberg, 1971: 294). Employers or supervisors may interpret the actions of the initiate even more negatively as expressions of being ‘workshy’, lazy or even malevolent. While these interpretations may sometimes be accurate, in the early months of wage labour the general lack of time rationality, subordination or emotional coolness of the long-term unemployed is best interpreted as a cultural ‘lag’. The habits, beliefs and consciousness of unemployment may ‘lag’ in the life of the subject, even though he or she has entered the structures and relations of wage labour. The long-term unemployed may be expected to take some time to adjust not only to punctuality governed by the clock, to subordination, to emotional restraint, and to formal relations, but to their underlying rationality and segmentation of experience, and arguably will not do so unless the rewards of the workplace make it worth their while.

4.7. The conditions of labour

The unintended consequences of employment are highly variable in the experience of employees and may be viewed as determinants of the employment separation of the long-term jobless. The lower the social or psychic rewards of the workplace, the more likely is long-term employment separation. Goodman, Salipante and Paransky (1973: 29) reviewed findings from a number of studies examining the effects of work characteristics on job separation. Higher rates of job separation were explained by poor opportunities for job mobility; by perceptions that the work was
boring; and by ignorance of the work routine or the importance of the job to company products or goals. Conversely work status and job skill level were positively related to retention. Goodman and Salipante (1976) have examined the effect of companies' reward systems on the retention of the 'hard-core' unemployed. The authors' research design included a multi-firm study of 114 companies including 130 discrete entry programs, and an 18-month longitudinal study of a single company with 120 'hard-core' hires and a matched control group of 180 other hires. The data were collected from company records and from extensive interviews with company staff rather than with the unemployed. Starting pay levels were not related to retention in the third month of the trainees' job. However, the longer the period before the first raise the lower the retention (Goodman and Salipante, 1976: 15). Pay levels themselves were not as important as frequent reinforcement through the pay system, which could be expected to increase the worker's sense of progress, achievement and personal control. Job status in itself had a relationship with retention that was close to zero. However, the white-collar workers proved more likely than the blue-collar to be retained (Goodman and Salipante, 1976: 16). The authors concluded that job status may have been important after all since the dichotomous variable was highly collinear with job status. Contrary to their conclusion, this evidence suggests that differences other than job status - such as physical working conditions - were important in predicting the greater retention of white-collar workers. No study examined directly the effect of physical working conditions on the likelihood of job separation on the long-term unemployed.

Companies which gave some of their 'hard-core' hires promotions within the first three months of their employment achieved significantly higher retention rates (Goodman and Salipante, 1976: 18) though this early reinforcement was provided in very few companies. The early promotion is likely to improve the sense of achievement and personal control of the initiate. Because many of the long-term unemployed have become jobless involuntarily they can be expected to feel more insecure than other workers about being sacked, particularly since many companies have a last-on, first-off policy. Continuing apprehension about the security of a job may in turn reduce the willingness of the worker to let go of old beliefs and attitudes and adapt to those of the workplace. In other words the worker who feels that wage labour is an insecure and fragile relationship will not be able to adopt it as his or her normal way of life.

Consequently to offer pre-job training or wage subsidies with no guarantee of subsequent employment is to ask the trainee to experiment with a major change in his or her life without offering any security that the change will be lasting. This
may reflect the presumption that wage labour is a condition very much to be
desired while joblessness is an aberration, and by logical extension that the jobless
should be eager to experiment with their lives. To offer no job security to the
long-term unemployed is not only capricious but it is likely to be counterproductive.
It engages a trainee whose work-identity is in all probability already insecure in the
risk of a further disenchantment with wage labour.

While none of the Youth Manpower Programs offered secure employment, some
offered substantially greater security than others. The specific education programs
trained individuals in job skills designed to lead either to particular apprenticeships
or to other employment in areas of skill shortage, and consequently suffered very
low rates of LTES (less than one per cent) in comparison with the more general
pre-employment programs (15 per cent). Of the employment programs, two
provided more secure hope of employment. The on-the-job component of General
Training Assistance offered job training in an area of skill shortage, making
subsequent employment more likely. In the Commonwealth component of SYETP,
sacking was difficult and was not followed by replacement of the sacked trainee,
again creating a more secure tenure for the trainee. Both these programs had lower
rates of LTES (5 and 2 per cent) than the average (10 per cent). These
relationships held when the educational levels and durations of unemployment of
scheme entrants were controlled. Other program differences - such as the skill level
of the training offered - were not controlled. As a result any conclusions from the
evidence cited are tentative.

Goodman and Salipante (1976: 21) concluded that program variables such as
early pay rises, availability of promotions, white-collar work and job security were
more predictive of job retention than were the personal characteristics of trainees.
In my model, each of these variables reflect some aspect of the unintended
consequences of the wage-labour relationship. Other variables remain entirely
unexplored: the effects of the physical working environment; the degree to which
training schemes offer scope for creativity; or whether they lend to the trainee a
sense of identity or a sense of purpose.

4.8. Mediating the culture of wage labour

The influence of the social relations of the workplace on trainee retention have
been examined in a number of studies. They can be seen as factors which mediate
the culture of wage labour to the jobless. While the culture of unemployment may
be slid into in a way which is largely outside the worker's effective control, the
culture of wage labour must be positively learned in a comparatively short period if
neither the trainee nor the supervisor is to lose his or her patience. What structures are likely to aid such positive learning? Those habituated to unemployment will more easily develop new habits, beliefs and consciousness from others in the workplace than in isolation. Two expectations follow from this argument: firstly, that on-the-job training will be more effective than pre-job training in securing retention; and secondly, that the less the social isolation of the trainee in the workplace the lower will be the rate of long-term employment separation.

4.8.1. The effectiveness of pre-job training

Evidence from the USA suggests that the pre-job training programs of the late 'sixties and early 'seventies were not effective either in changing the attitudes of the long-term unemployed or in reducing subsequent job separation (Doeringer, 1969; Allerhand et al., 1969; Friedlander and Greenberg, 1971; Morgan, Blonsky and Rosen, 1970; cf. Triandis et al., 1974: 668 and Salipante and Goodman, 1976: 1). Rosen and Turner (1970) found that pre-job training conducted by members of the hiring company who were later able to mediate between the 'hard-core' jobless and their immediate supervisors was much more effective in reducing turnover and absenteeism than was an external program conducted by university staff and focussing on individual 'therapy'. Friedlander and Greenberg interviewed 478 'hard-core' unemployed who were placed in two-week pre-job training in the AIM-JOBS program in Cleveland. They found (1971: 291) that pre-job attitude training did not significantly alter work attitudes. Using cross-sectional data from 114 companies hiring the 'hard-core' jobless, Salipante and Goodman (1976) found that there was no effect of the length of pre-job training on retention. Companies using role-playing to teach attitudes experienced lower retention. However, the greater the proportion of time spent on job-skills as opposed to attitudinal training, the higher was the retention. The authors concluded that the content of pre-job training rather than the existence or the amount of training was critical in predicting the retention of the 'hard-core' jobless.

These findings support the view that short-term intervention in the form of pre-job attitudinal training will not alter long-term habits and attitudes. Role-plays and attitudinal training do less to impart a sense of personal control than to emphasise the cultural differences between the trainer and the long-term unemployed and reinforce the latter's comparative powerlessness. The unemployed are asked to adapt - while there are no tangible rewards yet in view - to an environment of work which is not that of their everyday experience and which has not the character of necessity. They could be excused for regarding such training as an unwelcome
imposition. By contrast pre-job skills training coupled with reinforcement may impart a sense of accomplishment and personal control in the learning of tasks or the shaping of materials, particularly if the trainee can directly relate the skills learned to those required in the workplace.

4.8.2 Isolation or social support

The long-term unemployed are arguably much more likely to pick up the attitudes and beliefs desired in the workplace through contact with the trainer, supervisors or colleagues. The development of work-habits such as punctuality can similarly be expected to advance more quickly by placing the trainee in a supportive and rewarding work climate which takes such habits for granted than by talking about them in a classroom before the job begins. No study has attempted to measure the degree of isolation of the trainee, either physically or socially. If the design of the work process itself limits communication, the adaptation of the long-term unemployed to the workplace could be expected to be far more arduous than if work was organised in teams, necessitating interaction.

A number of studies have measured aspects of the personal supportiveness of the supervisor or colleagues. All trainees in the wage subsidy programs included in the YMP evaluation were asked if they had experienced any problems in their work placement. If they had, they were further asked if they had received any help from their supervisor, colleagues, or from other sources. Trainees who experienced no problems may be used as a point of reference. They experienced a rate of LTES of 7 per cent. Those who reported having problems but receiving no help with them experienced an extraordinarily high rate of LTES of 23 per cent. By contrast, trainees who reported having problems but subsequently receiving help from their supervisors or from their colleagues, had rates of LTES respectively of 10 and 8 per cent - comparable with that of trainees who reported no problems. These effects remained when the level of education and prior duration of unemployment of trainees were controlled.

A number of US studies similarly indicate that the supportiveness of the supervisor or colleagues is positively related to the job success of the long-term unemployed. Beatty (1974) reported that early employer evaluations of job performance and the weekly earnings of the trainees after two years were both positively related to the employee’s rating of supervisor ‘consideration’, described as positive concern for the employee’s needs and encouraging communication (Beatty, 1974: 41). Beatty did not follow up 20 of his original sample of 41 job-starters who left the company during the period of his study. Nor did he examine the
supervisory behaviour associated with this worker turnover. Interviewing both supervisors and the new workers, Friedlander and Greenberg (1971: 292) found that the 'hard-core' jobless perceived the work climate as vastly less supportive than did the supervisor. This may evidence the greater need for support and interaction of the individual not habituated to the workplace. Salipante and Goodman (1976: 7) reported a strong positive relationship between retention of the long-term unemployed and a measure of worker follow-up: the degree to which the firm reached out to absent workers. More than the degree of follow-up, the presence rather than absence of follow-up explained worker retention. The authors suggest that this measure captured some aspect of the personal supportiveness of the trainee's environment.

Hayes and Nutman note that the major efforts to help the unemployed has been to change the jobless person. However, they quote the findings of the Chicago JOBS NOW Project (1967) which found that it was impossible to predict job performance from individual differences. The only factor which significantly differentiated the successful from the unsuccessful was the degree of support received in the workplace. The retention rate achieved by high-support organisations was 82 per cent against 28 per cent for low support organisations.

In summary, the level of support, helpfulness, or follow-up offered to the long-term unemployed job-entrant has consistently been found strongly to affect the likelihood of job separation or of LTES. Not only does this reflect the importance of the unintended, social rewards of employment in predicting the retention of the trainee but it suggests that the long-term unemployed adapt more readily to the culture of the workplace in an environment where they may learn by example and communication.

4.9. Conclusions

The evidence is lacking which will fully support a model of cultural adaptation as an explanation for the separation of long-term jobless trainees from labour force programs. However, the evidence does not conflict with such a model and tends to lend it credibility. There is some evidence that the intended factors in the culture of wage labour become the focus of conflict between the established labour force and long-term unemployed job entrants. Equally, there is some evidence that the adaptation of the long-term unemployed to wage labour depends on the unintended and highly variable rewards of the workplace. What are the implications for policy of this approach?
However 'normal' it might appear to those of us habituated to wage labour, the intended culture of the workplace has little inherent appeal to the long-term unemployed. Their transition to employment would be made less traumatic if factors in the intended culture of the workplace were compromised for the time being. It would be possible for instance for the employer, supervisor and colleagues of the trainee to lessen formality and de-emphasise rank. At the same time the expectation of punctuality could be somewhat relaxed in the early weeks of the trainee's employment, perhaps through some form of flex-time. The employer, after all, might be more interested in work performance than in strict time rationality. The subsidy the employer receives in wage subsidy schemes might be used to encourage such flexibility. These suggestions indicate that it might be more useful to educate the employer and the supervisor in the early needs of the trainee than to engage the trainee in attempts at pre-employment attitude modification, since the latter have not proved successful.

If pre-job training is to be offered, both the research findings reviewed and the theoretical arguments offered suggest that specific skills training is preferable both to general skills training and to that which concentrates on modifying work attitudes and personal presentation. Further, retention in such training is likely to be improved if there is a direct, secure link between the provision of training and the trainees' entry into corresponding employment. In turn, retention in wage subsidy programs is also likely to be improved if there is greater hope offered of subsequent employment.

Ultimately it is the unintended, social or psychic functions of employment that must induce the long-term jobless to remain in wage labour. If the current high rates of long-term employment separation of the long-term jobless are to be reduced, these trainees should cease to be placed in employment characterised by a low-level of organisational reward - such as a poor training content, a repetitive task, few opportunities for improvement, or stressful or dangerous working conditions. It should not be assumed that the long-term unemployed, because of their labour market disadvantage, want to work under any conditions. Their lives have become organised around the absence of employment. Consequently they may need, even more than the habitual worker, a work environment which stimulates a sense of mastery, provides opportunities for creative labour, and fosters a sense of achievement.

US research has demonstrated that one way to stimulate trainee retention is to give early pay rises linked to productivity. These increments were found more
effective than starting salary in securing retention. However, ultimately the work itself must provide satisfactions to long-term jobless trainees if they are to be persuaded to remain in employment. Employment which has a higher training content and offers a better quality of work often requires, and at least permits, more on-the-job communication both between workers and with their supervisors. Such an environment is likely to convey the requisite habits and consciousness of the workplace to the initiate far more readily than working in isolation.

These arguments contradict a deep-seated presumption in the organisation of the labour market - what might be called the 'streaming' presumption. Commonly, the better educated and better presented of labour market entrants are streamed, by twin processes of CES recommendation and employer selection, into the better work. The less work-equipped are streamed into more poorly paying jobs which are often characterised by routine work for which little training is required, and which consequently neither demands nor allows on-the-job communication between workers. This streaming reflects the hierarchy and rationality of the workplace.

While such a streaming process is to be expected in the general labour market, it continues to operate in the placement of trainees into employment programs. This has been noted in Australia in the pattern of placements both into a wage subsidy program (SYETP) and a community employment scheme (CEP) (unpublished). However, to place trainees in a way contrary to the streaming presumption is to place the initially better equipped at a disadvantage, and to risk their long-term employment separation. Neither the longer nor shorter-term unemployed can be expected to fare as well in employment which offers few rewards. A tentative conclusion is that such employment is unsuitable for any trainee, and is particularly unsuitable for trainees with a fragile hold on the world of wage labour.
Chapter 5

The Social Consequences of Unemployment, Revisited

Just as the literature on the personal effects of unemployment has primarily been concerned with stress, depression and suicide, so the literature concerned with its social effects has often been limited to discussion of rates of ill health and suicide. The theoretical understanding of the culture of long-term unemployment developed in Chapter 3 raises questions more clearly directed at its social effects and less concerned with its epidemiology.

5.1. Quietism or revolt?

Some writers have seen revolutionary potential in the existence of large numbers of jobless:

The subject of the economic and political implications of a society with mass unemployment is of the first magnitude... The questions posed here need urgent examination. Without a revolutionary change in the values of the employers and the unions, there could well be another kind of revolution... It will be the workless and not the workers that will rise up... (Kenyon, 1979/80: 148)

Others have been surprised at the political quietism of the unemployed. Hakim (1982: 434) has canvassed a number of reasons why the negative effects of unemployment have not led to a more grievous and widespread breakdown in the social order:

- a major difference between the 1930’s experience and the present one, she argues, is that income support measures have eliminated the absolute poverty - as distinct from the relative poverty - associated with unemployment; and

- unemployment is concentrated in the secondary labour market, in particular industries, occupations, and regions, so that its effects are contained in certain sectors of society and do not ‘spread’.

Contrary to her latter argument, one could expect that if unemployment has revolutionary potential, this would be most in evidence in areas of its highest concentration. In Britain there has certainly been violence in areas of high youth
unemployment but it has lacked political direction. It has rather been a-political or anti-political. Its causes have been obscure but it appears to have involved the employed as well as the unemployed and to have given expression to racial grievances. Its language and actions have borrowed more from vandalism than from a revolutionary 'vanguard'.

Some of Meakin's work has forshadowed a revolution of the right rather than of the left. While he has mounted this argument about alienated labour it can as readily be applied to those alienated from labour:

To strip a man of all responsibility in his work is to encourage a lack of responsibility in the whole of his life, it is to promote apathy and thereby to put more and more in jeopardy the real basis of democratic society. To strip him of creativity in his job is to invite a passive attitude towards history, and, therefore, towards the formation of his own life and his own society... invitation to passivity, non-creativity, acceptance and lack of responsibility creates precisely the pre-conditions for fascism. (Meakin, 1976: 197)

Travers (1983: 17) has quoted some interesting passages from the 1943 Carnegie Trust study which echo Meakin's phrases:

It has, perhaps, been assumed too readily by some that, because men are unemployed, their natural state of want and discontent must express itself in some revolutionary attitude. It cannot be reiterated too often that unemployment is not an active state; its keynote is boredom - a continuous sense of boredom... [the young unemployed] were not likely to believe that their own active participation in affairs would permanently affect an order of things that had already, in the most impressionable years of their lives, shown itself to be so powerful and so devastating.

If these arguments are at all apposite, the largely passive and a-political nature of the jobless suggests that they are more likely to be politically used than self-motivated.

Those who have discussed unemployment as a motive force for violent change have not paid enough attention to its nature or its lifestyle. The great majority of individuals who become unemployed only remain jobless for short periods. In general there is not, as one British commentator has described it, '...the development of a new sub-proletarian class of permanent unemployment within a developed capitalist society' (Kenyon, 1979/80: 147). That unemployment is a very temporary predicament for most of those who become jobless means that hope remains individual. Its resolution most often lies in successful competition with other jobless workers.

If those unemployed for short durations are unlikely to foment revolution the
long-term unemployed are even less likely to do so. The revolutionary potential of long-term unemployment is, I think, a fiction of those who see unemployment as a way of life which must be enduringly intolerable. Rather than this, the very acceptance of long-term unemployment as a tolerable way of life by the jobless has social consequences. These are far less dramatic than violent revolution and, unlike it, are already nascent in Australian society.

5.2. De-modernisation?

If the culture of unemployment is characterised by informal rather than formal relations, by the absence of legal-rational hierarchy, by the lack of a rational time-structure, and by immediate gratification or none at all, what social implications are suggested? If the culture of wage labour typifies what we think of as modernity then this culture of unemployment may amount to a 'de-modernisation'. The authors of Marienthal understood something of this:

...both the general pattern of life and that of the individual show that the people of Marienthal have gone back to a more primitive, less differentiated experience of time... (Jahoda et al, 1971: 77)

The culture of unemployment may be seen as part of a more general de-modernising movement, encompassing the alternative life-stylers of Nimbin, urban greenies, those who seek to recover craft skills largely lost with the advent of machino-facture, and perhaps even those who press for more flexible working hours and job sharing; all of whom seek some of the re-unification of life which may be experienced by the long-term unemployed.

While it is suggestive to see the culture of unemployment, in a shorthand way, as 'de-modernising', the unemployed are not comparable in their lifestyles to the workers of pre-industrial Britain reviewed above any more than are modern workers. It is better to avoid be-jewelling the long-term unemployed with the romantic imagery of lost forms of association and activity. There is no recovery of tradition in the culture of unemployment. There is only the loss of structure and the gaining of freer forms of association and living which must nevertheless be worked out within a modern society, and which may be experienced as a curse as often as they are found a blessing.

Even so, in this de-modernisation there may be found a small countervailing force to the system of wage labour and its ideologies. It is an irony that long-term unemployment and its lifestyle, created by the social organisation of work of industrial capitalism, erodes the time rationality, hierarchy and impersonality on
which that system is based, and may create a disenchantment with wage labour which undermines the ethics of work and of delayed gratification. The more that unemployment grows, the more that this small countervailing force can be expected to multiply.

As indicated in Appendix B there have come into being two fairly distinct populations of the unemployed - one characterised by short durations and rapid turnover through unemployment and the other remaining in unemployment for increasingly long durations. The second of these groups is likely increasingly to exhibit the culture of unemployment. Not only has this population increased but the numbers who might be typified by the culture of unemployment are likely to have grown even more. One of the fundamental factors which may influence the jobless to take unemployment for granted as a normal way of life is to be surrounded by others in the same circumstance. In Australia unemployment is highly concentrated in the Illawarra and Hunter regions as well as in particular suburbs of major cities. As a result the increased numbers of long-term unemployed are likely to produce more than a merely additive increase in the culture of unemployment.

5.3. Conflict over the work ethic

The increasing numbers of long-term unemployed in Australia are likely to result in conflict concerning the work ethic. Such conflict has typified the recent recessions of 1975/6 and 1982/3 and has given rise to the 'dole bludger' label. Its economic face is likely to be seen in a continuation of the tax revolt, fueled by the unwillingness of some taxpayers to support those both divested and disabused of wage labour. On the other side are likely to be calls for benefit payments for the long-term unemployed which are not tied to an active search for work and which are paid at rates which recognise the long-term nature of income support for this population. Such a benefit would create a rite of passage into long-term unemployment which would allow the individual to give up a stressful search for work and begin to construct a more psychologically healthy role alternative.

In this climate of conflict the government has a responsibility to mediate towards social integration, however thorny the issues. There are a number of possible directions. The experience of unemployment is not only created by the social organisation of work in industrial capitalism but is given its characteristic form by it. It follows that the primary cure of unemployment is to be found in the social organisation and conditions of wage labour. At the same time, to see unemployment and its characteristic way of life as determined by the organisation of wage labour attests to the difficulty of fundamental reform. Social changes which
would prevent long-term unemployment from arising go to the root of the organisation of capitalism. No government is likely to take the lead in such fundamental change. The government does have a role in the provision of carefully designed transitions back into the workforce. This appears to be the best immediate hope which can be offered to the long-term unemployed through work in the formal economy. Necessary elements in the design of such schemes were canvassed in Chapter 4.

Secondary approaches include changing community attitudes to the unemployed or altering the lifestyle of unemployment. However, unemployment is so much tied to the social organisation of employment that attempts to alter community perceptions about unemployment equally involve changes to deeply entrenched attitudes to work. There are two common responses to suggestions that unemployment be made more acceptable in the community. The first typifies the response of the political right. It is that bludging is not on. The second typifies the left, including unionists and the welfare lobby. It is that the unemployed want jobs not smiles. We should give them work, not make joblessness more acceptable. As observed in Chapter 3, both arguments evidence the strength of the work ethic in the approach to the unemployed. They agree that the unemployed ought to want a job, disagreeing only on whether they actually do so. What if they don't - or rather, what if a sizeable proportion of the long-term unemployed have become disenchanted, not with work per se, but with conditions of wage labour they find unrewarding, and which, by no choice of their own they have learned to live without?

This question threatens the common ideologies of both sides of the current debate about unemployment. To the conservative it says that there is nothing magical or even inherently desirable to the worker in the organisation of work of industrial capitalism. To those of the political left it suggests that they have been wrongly defending the willingness to work of the unemployed because, given the conditions of work offered to them, the long-term unemployed may be 'bludgers' after all. Neither existing approach appears to have created a purposeful response to the question of long-term unemployment. Perhaps there is a need for a more pragmatic direction which is not enamoured of the necessary culture of wage labour, but which recognises the value of the unintended, social or psychic functions which employment may lend the lives of workers. These unintended functions of wage labour might be provided through other means. In the British context Kumar (1979/80: 25) has argued:

If the widely quoted and increasingly widely accepted ... projection of five
... unemployed by the 1990's in Britain comes about, we will have no choice but to ensure that 'unemployment' can be as fully satisfying a way of life as employment.

How is this to be achieved?

5.4. Unemployment and the leisure society

Some, like the French sociologist Friedman, have placed their hope in the flowering of creative production in leisure activities:

... in the society of the future, the flowering of a 'new man' of the artisan type, devoted to the patient and creative fashioning of materials with the aid of manual tools, a new homo-faber resurrected by leisure. (G. Friedman, *Ou Va la Travail Humain?*, quoted in Meakin, 1976: 183).

Meakin comments that the signs for this rebirth are not hopeful, '... whatever occasional bricolage may interrupt the seances of television-watching' (1976: 183)

Herzberg has argued,

... the hobby cannot give the complete sense of growth, the sense of striving towards a meaningful goal, that can be found in one's life work. A carpenter's workshop in the basement and a neatly groomed backyard are no substitute for the direct relationship between work and the fulfillment of the individual's needs ... Thus we reject the pessimism that views the future as one in which work will become increasingly meaningless to most people and in which the pursuits of leisure will become the most important end of society... the greatest fulfillment of man is to be found in activities that are meaningfully related to his own needs as well as those of society. (Herzberg et.al., 1959: 130)

These sentiments are echoed in Simone Weil's ethic of work which contains two related parts, creativity and community. She emphasises in 'La Condition Ouvriere' that if work is to become meaningful, not only must workers feel creative in their tasks but they must have a sense of belonging to a community and contributing to a collective goal (cited in Meakin, 1976: 128). The idle lives of many unemployed people point to the problem of 'leisure'. The craft hobby, while it may exemplify creativity, often serves no utilitarian purpose and is not related to the goals and purposes of any larger social whole. While the hobby provides some of the personal fulfillments which might otherwise be provided by the job, it requires uncommon motivation to persist in productive activity when it is done purely for its therapeutic value.

You don’t realise, not until you’ve been out for a couple of weeks. It costs money, decorating, and you can’t keep it up. Mostly it’s just pottering. I get bored stiff... Some times when you’re working you wish you had a bit more time to do things, but I’d rather be working now and have no time. Sometimes I get to walking up and down with my hands in my
pockets, walking up and down on the carpet. (Mr Fellowes, in Marsden and Duff, 1975: 192-3)

I dunno, I've just sort of slackened off somehow. My work's gone to pot a bit. I've had several weeks when I've looked back and said, 'What have I done this week?' you know, since, sort of starting doing nothing. (Mr Vickers, in Marsden and Duff, 1975: 192)

The lives of the unemployed thus display the mistakenness of leisure as the goal of living. Leisure is only meaningful as a respite from work. It is by its nature interstitial. The 'leisure training' which has been proposed as a solution to the deprivations of long-term unemployment consequently has limited benefits. Attendance at the course itself is perhaps the most beneficial part of such training.

5.5. Good work

This is no cause for ultimate pessimism. Good work is within reach of many of the unemployed. Domestic labour, growing food, child rearing and cooking are all productive activities which provide scope for creativity, may lend a sense of purpose, are necessary to living, and serve the needs of at least the circle of other residents. To some extent the commentators quoted above have regarded work only where it is a 'job' and failed to see it where it provides many of the social and psychic functions which they laud. Perhaps there is, in this, something of the traditional devaluation of the work characteristically done by women outside of the formal economy. The drawback in this work is that while it contributes greatly to our standard of living it is part of a communal purpose mainly within the most intimate milieu of the family - an institution already overburdened as the temple of the private life.

Not only might domestic labour be revalued but other work which is not paid might be seen as legitimate and encouraged: adult education, caring for elderly friends and relatives, community work; as well as other work which seeks to improve or defend common social goods, such as working for environmental protection or peace. After all there are those in the mining and arms industries who are paid to lobby for the destruction of these social goods.

The quality of life in long-term unemployment might also be improved by creating useful activity, on a voluntary basis, for those unemployed to whom it is not otherwise available or who do not have the initiative to create it for themselves. Such work should have the qualities of social usefulness, creativity, and sociality. While there is a government scheme with these objective it remained small and little publicised until Mr Hawke's Budget announcement of a compulsory 'work for the
dole' scheme. The apparent desire to enforce such labour invited immediate resistance from unions - concerned about the erosion of wages and the loss of jobs - and from welfare rights groups concerned with enforced labour for little pay. The manner of its Budget announcement failed to stimulate the perception that such work is healthy and dignifying for the unemployed or that it might have wider social value. It was interesting at the time to see in television interviews that the major defence of this scheme came from unemployed people who expressed avid interest in being given useful activity - provided it was not compulsory. In the event the scheme has remained voluntary. However the bad air of its early negative publicity has continued to hang around it. Such a scheme, properly presented, might still gain wider community acceptance and provide to the unemployed some dignity, useful activity and wider social contacts without enforcing the hierarchy and time rationality characteristic of wage labour. While it is more a palliative than a cure it can be achieved in the shorter term.

Ultimately it is to be hoped that the barriers between work and life, work and home, will begin to be eroded. It is to be hoped that work will be loosed from the wages for labour exchange, to become for all workers a more creative, communal and rewarding activity. A greater balance between work and idleness might then be achieved between the lives of individuals.

5.6. Summary and conclusion

The growth in Australia from six to 10 per cent recorded unemployment was accompanied by a marked social change in the distribution of joblessness. Appendix B (Table B-7) provides evidence original to this thesis that during the period 1982 to 1984 the proportion of all unemployment accounted for by long-term unemployment increased to double the historical average of the 'seventies - to four times that of the 'sixties - and that it has remained at that level since. The experience of long-term unemployment has become socially much more prevalent. In November 1986 over 100 thousand persons, or some 17.5 per cent of all the unemployed, were measured by the ABS to have been unemployed for over two years. The true figure is certain to be considerably higher because the ABS underestimates unemployment and particularly underestimates long-term unemployment (refer to Appendix A). Of those ending spells of unemployment benefit in the August quarter of 1986, those unemployed for over two years accounted for some 34 per cent of all unemployment experienced (Appendix B, Table B.14). Recent social changes consequently raise substantive questions within sociology concerning the experience of long-term unemployment for the individual as
well as its more encompassing social effects. These questions have so far received little attention, although they promise to make some contribution not only to social theory but to the pressing policy concerns of long-term unemployment.

In their response to recent growth in total unemployment, academics and government have perceived the problem in quite different ways. Within the universities the personal cost of unemployment forms the research topic of an already large and burgeoning area of social-scientific inquiry. The question of unemployment and particularly of long-term unemployment has come to be conceived of in terms of harm to the individual - stress, depression, illness, suicide - not in terms of social cost or cultural change. Long-term unemployment has become defined as a personal misfortune. This approach may have been appropriate in the past when minimal long-term unemployment existed in an otherwise buoyant economy. The growth of long-term unemployment demands the answering of new questions which remain largely unaddressed.

At the same time there is within government a growing endeavour aimed at the long-term unemployed. The decade since the 1975-76 recession in Australia has seen the inception and rapid expansion of job creation, wage subsidy, training and retraining schemes. From small beginnings in 1976 this effort expanded to 215 thousand placements during 1980-81 and to 321 thousand during 1985-86. The growth of these schemes reflects recognition of the economic costs of declining skills and work-readiness of the unemployed, as well as of the personal misfortune of unemployment. Welfare payments during the decade - in unemployment benefits alone - have grown beyond prediction from 614 million to over 3 billion dollars, or to over two per cent of total government spending, at the same time stimulating the growth of another industry - the identification and pursuit of 'dole cheats'. The non-government sector engaged in temporary financial relief has found itself increasingly diverted from its traditional clientele towards individuals and families suffering unemployment.

University based social scientists studying the long-term unemployed have not been able to inform the needs of the government and non-government sectors who daily deal with them. In turn these have acted on the basis of practical wisdom or community prejudice concerning the long-term unemployed which I believe to be mistaken. Consequently a most pressing practical task of social science is to understand the life of long-term unemployment in such a way that those already in it may be more effectively assisted.

The current lack of a contribution by social science to policy concerned with
long-term unemployment appears to arise from the separateness of these endeavours, as well as from the way in which questions become defined as areas for research within particular social science disciplines. In the research area of unemployment the question whether unemployment causes depression, ill health or suicide has become paradigmatic for university-based social scientists. New work on unemployment within psychology and social psychology has not, in the main, taken new theoretical directions but has tended to test existing expectations with some new dependent or independent variables and on differing populations of the unemployed. The questions addressed do not reflect a coming to terms with the historical changes in the nature of unemployment of the past decade. In the wider public arena the overwhelmingly economic approach taken to employment and unemployment may have acted to exclude fundamental questions coming to the fore concerning the social costs of unemployment, the social value of work or the social distribution of work and its rewards.

I came to the research area of long-term unemployment through a route other than academic inquiry: through the practical need to understand why the long-term unemployed were more likely than others to quit from a range of work preparation schemes. The need to understand the high rates of training scheme separation of the long-term unemployed from the first suggested more cultural, institutional and structural explanations - so much so that it was frankly surprising to find common sociological insights so little reflected in the social-scientific literature on unemployment. As outlined in Chapter 1 the tangential evidence which arose from the BLMR evaluation study suggested that the life of long-term unemployment could be characterised by habits, beliefs and consciousness which were different enough from those of wage labour to be described as a conflicting culture. Two ideas concerning this culture have unified the argument of this thesis. The first is that unemployment might become, for those who experience it for long durations, a way of life which carries an air of normality. The second is that the experience of the unemployed can only be understood as a loss or absence of the constraints which typify employment. Thus the experience of unemployment as well as its culture can be understood as social products rather than as an individual distress. The view of culture developed has emphasised the relationship between the institutional demands of wage labour and the common culture of the employee; and the absence of these institutional demands in shaping the culture of unemployment.

The unintended functions of the wage labour relationship make it entirely comprehensible why men and women work even if its economic rewards are few, and why the unemployed may suffer extreme distress in the early months of their loss of
work. Wage labour has the potential to create wider social relations than those of family or locality; to provide a sense of purpose, a sense of identity and a sense of personal control or mastery; to link individuals to wider goals; and to enforce meaningful activity. Some of the variation which has often been observed in the distress of the unemployed can be seen as flowing from the highly variable nature of these unintended functions of wage labour. They are not necessary to the productive process and, consequently, are much more in evidence in the lives of some workers than they are in those of others. As a result they are sorely missed only by some of those recently unemployed.

Becoming unemployed can not only be seen as a loss but it may represent a gain in the lives of some individuals. The social division of labour of industrial capitalism places within the grasp of some of the unemployed, alternative roles - such as 'retired', 'housewife' or 'student' - which may confer a legitimate status, provide activity or bring wider social contacts to the lives of individuals. That which is lost by some upon becoming unemployed may be gained by others. It is the balance of these losses and gains that will determine the level of distress in unemployment.

Attention to unemployment as a culture distinct from that of wage labour has directed attention away from the search for more static, universal effects of unemployment to the consideration of unemployment as a process of loss and attachment. While employment is lost all at once, the adjustment of the individual takes some time to be achieved. Distress, depression and suicide may be more relevant to an understanding of the early months of unemployment. The dramatic life change which has occurred may take some time to be reconciled in consciousness. In the early months the unemployed may maintain their work values although their lives do not exemplify them, and consequently judge themselves to be without a social place or value. The distress which this creates may lead to a search for new meanings in which the loss of certainty is widely generalised. As unemployment lengthens the jobless may cast large parts of their former lives into the melting pot. The oral histories of the unemployed displayed a process of disenchantment with the world of wage labour in which many of its strictures are clearly perceived for the first time.

As a result of these processes, in the experience of unemployment common realities are gained as well as lost. I have emphasised that whether unemployed individuals spend their hours in bingo halls or in discos, and whether their lives are fulfilled or empty, the culture of unemployment may take a similar form. It is
characterised by the absence of hierarchy; by the absence of formal relations or the need for emotional repression; and by the absence of rational divisions between work time and leisure time, work place and home, production and consumption. These absences may also be understood positively. In contrast to the rational divisions of the life of wage labour, they give to that of unemployment a seamless or more unified quality. Habituation to this culture may hinder the return to work of the long-term unemployed. This view of the culture of unemployment has produced a more encompassing and generalised understanding of the life of unemployment than is commonly evoked in concerns with stress, depression or suicide on the one hand; or in attention to the limited subcultures of ' punks', disco culture or soccer hooliganism on the other. The discipline of sociology is best placed to develop and refine this understanding of unemployment, as well as to test its veracity. Perhaps, in this process, sociology may also make some contribution to the agenda for social change.
Appendix A

Australian Data on Unemployment and Labour Force Dynamics: What Does it Mean?

Is long-term unemployment a real problem for social research, or is it, as some recent research has suggested, only an epiphenomenon? The latter argument has been encouraged by an over-reliance on data from the Australian Bureau of Statistics (ABS) which I believe to be suspect, particularly in its information concerning long-term unemployment. In this Appendix I urge the use of Department of Social Security (DSS) data on unemployment beneficiaries. This information source paints quite a different picture of the nature and extent of long-term unemployment.

Our current knowledge about long-term unemployment is poor. We do not know answers to basic questions:

- how long is an average completed spell of unemployment?
- what proportion of all unemployment is accounted for by long-term unemployment? and
- is the population of the unemployed relatively stable, or is it characterised by rapid turnover as people enter and quickly leave unemployment?

While answers to these questions have been estimated they remain very much open to debate.

Apart from the early and important work by Paterson (1979, 1980) and Gregory and Paterson (1980) based on DSS information, answers to these questions have so far mainly been estimated from ABS data. The estimates of completed unemployment durations have varied widely according to the estimation procedure employed. For instance, Brooks and Volker (1984: 18) used three methods of estimation which varied between 41 and 8 weeks for male and between 33 and 5 weeks for female unemployed. While estimates of the degree of turnover in unemployment derived from ABS data have received fairly wide acceptance, some economists have acknowledged that the levels of flows discovered may be inflated by problems in the data (Brooks and Volker, 1984; Clark and Summers, 1980).
While much of the debate has centered on findings from ABS data, the Department of Social Security (DSS) has quietly been publishing an expanding range of information on unemployment beneficiaries, including the average durations of their completed spells on benefits. In this Appendix I urge the use of this DSS information in preference to ABS data, not so much because of the expediency of using readily available DSS data but on the basis of a detailed methodological critique of ABS labour force information. Some of the wisdom currently held about the labour market is no more than an artifact of the ABS data itself. Of particular concern is that the implications of this current wisdom for social policy directed towards the unemployed are counter to that required.

A.1. Labour force dynamics: an introduction

‘Labour force dynamics’ (or flows) can be understood as the patterned movement of people between the different labour force roles of employment, unemployment and being outside the labour force. To the sociologist these roles have associated with them distinctive norms, styles of life and meanings which are taken for granted, making the individuals caught up in them subject to different structural conditions and forces. ‘Labour force flows’ may be understood at the individual level as psycho-social and cultural transitions - involving personal crises, role and status changes, and re-evaluation of personal goals and attainable futures - while a change in the number or direction of flows may indicate a change in the social distribution of work or unemployment in the face of structural changes. As indicated above, labour force dynamics can give an insight not available from stock statistics into the completed duration of spells of unemployment, and into the social distribution of unemployment between different groups in society.

The most common measure of unemployment in Australia is the number of people unemployed at a particular date taken as a proportion of the labour force: the unemployment rate. The apparently quite stable rate of unemployment is an outcome of a dynamic process. The current stock of unemployment is the result of the balance of ‘inflows’ and ‘outflows’ over time: that is, the number who have become unemployed and the number who have left unemployment during a preceding interval. A greater inflow than outflow results in an increase in the stock of unemployment.

A given stock level may be maintained by a balance of relatively high inflows and outflows - resulting in a short average spell of unemployment - or by low inflows and outflows - implying a longer average spell. To paraphrase Akerlof and Main (1981: 141) an average rate of unemployment of 8 1/3 per cent might be the product of two quite different labour market dynamics:
1. A labour force in which each member is unemployed for one month per year would produce an 8 1/3 unemployment rate which results from a very high annual level of gross flows.

2. A labour force of which one twelfth is unemployed for the whole year would equally produce an 8 1/3 unemployment rate, but this would result from a nil annual level of gross flows.

The unemployment rate does not discriminate between these alternatives and consequently is not the most meaningful measure of the nature of unemployment. The more that unemployment in Australia tends to the second of these alternatives, the greater is the inequality in the distribution of time in unemployment between members of the labour force.

Transition data has a bearing on the design of labour market policy. The scenario in which each member of the labour force is unemployed for one month in the year suggests equality in the distribution of unemployment and an ease of mobility between jobs. Even a very high rate of unemployment, thus constituted, need not be of concern, since this would indicate an equitable distribution of unemployment. Employment stability rather than job creation might be the target of social policy. However, the more that unemployment tends to the second - high retention, low flow - alternative, the more that special labour force programs can be designed to improve the chances of finding work of a clearly identifiable target group of the unemployed.

Stock data on the unemployed sometimes contains figures representing the duration of their unemployment. This is data on incompleted durations of unemployment: the length of incompleted spells of unemployment which are captured by the 'snapshot' or crossectional survey. It is now well documented that the average length of incompleted spells measured in a crosssectional survey is a considerable overestimate of average completed durations of unemployment spells (Akerlof and Main, 1980; Frank, 1978; Kaitz, 1979; Salant, 1977; and in Australian data, Trivedi and Baker, 1983). This seemingly paradoxical effect occurs because of the effects of two sources of bias in stock data. Salant (1977) has identified these as interruption bias and length bias:

- Sampling people currently unemployed will interrupt their spell of unemployment at some point. When inflows and outflows are equal, spells will on average be halfway through their full length, since "...the intersection of a spell with the survey is equally likely to occur at any point on the length of the spell" (Salant, 1977: 40-41). In such a steady state labour market, incompleted duration data would be expected to understate the average completed duration of the sampled spells by half. However, if the probability of leaving unemployment falls with the time unemployed (as it commonly does), interruption bias will be increased,
since at the time of the survey, spells of longer than mean duration would be on average less than half completed, while those longer than the mean would on average be over half completed (Salant, 1977; 42-43).

- There are commonly many more short spells of unemployment in a given year, but they are more likely than longer spells to escape a survey. The probability of being sampled is proportional to the length of the spell: a spell of six months is twice as likely to be under way on a given day of the year as a spell of 3 months, and is consequently twice as likely to be sampled. As a result stock measures of unemployment such as the unemployment rate contain an over-representation of long, unfinished unemployment spells. This is *length bias*.

The effects of interruption and length bias conflict. If the inequality in spell lengths is large, the effect of length bias can predominate, so that the average length of completed spells is actually shorter than that of sampled incompleted spells. As reviewed above, this is a common finding.

The average duration of completed unemployment spells is, as a result, much shorter than had previously been thought; and long-term unemployment forms a smaller proportion of all spells of unemployment than stock statistics would suggest. It is worth noting that long-term unemployment is thereby made no less *prevalent* than previously supposed.

Such findings from studies of labour market dynamics have fueled the 'turnover' model of unemployment in which job *instability* rather than job *availability* is seen as the crux of the unemployment problem. The high degree of movement found between labour market activities from data such as ABS gross flows data is seen as evidence that the labour market is very active, and that '...almost everyone who is out of work can find his usual type of job in a relatively short time' (Martin Feldstein, quoted in Clark and Summers, 1980: 199). Flows analysts have argued that unemployment is almost entirely a turnover phenomenon, and that the traditional view of hard-core unemployed who are unable to find a job is misled because it pays undue attention to a tiny proportion of all unemployment. The policy ramification of this 'new view' of the labour market is that job creation is wasted effort, constituting an artificial and expensive 'turnover' in an already sufficiently dynamic labour market (compare Clark and Summers, 1980: 200).

In a landmark paper opposing this new view of the labour market in the United States, Clark and Summers have written:

... much of what appears to be evidence of dynamic labour market behaviour is in fact a reflection of artifacts in the data. (1980: 200)

This Appendix takes this line of argument further in a critique of gross flows data
derived from ABS labour force surveys. While the labour market is more dynamic than had previously been supposed, it is not as dynamic as suggested by ABS data:

- the level of gross flows discovered from ABS data overstates the true level of flows in the labour market by a factor of two to three times;
- the construction of the ABS measures bias the direction of the flows discovered; and
- the ABS measure consistently underestimates unemployment, and particularly long-term unemployment.

A.2. What is unemployment?

In their important critique of ABS stock measures of unemployment Stricker and Sheehan have argued:

It is a characteristic of most areas of human thought that the basic categories used in a given area come to appear inevitable and immutable to those whose very questions and answers are framed in terms of them, and the categories of the labour force framework often seem to have acquired that character. (Stricker and Sheehan, 1981: 21; quoted in Curtain, 1983: 11)

It is axiomatic to this Appendix that there is an important distinction between a concept and the variable used to measure it. A concept is part of a theoretical structure, and as such it is at a higher level of abstraction than its corresponding variable. A variable is an ‘operational definition’ of the more abstract concept. The ‘construct validity’ of a variable is the degree to which it truly captures the concept it purports to measure. It follows from this distinction between concept and measurement that the ABS instrument which measures unemployment does not define the true nature of unemployment: unemployment is not simply ‘what the ABS measures’. It must be possible to delineate a conceptual understanding of unemployment and on this basis to examine the construct validity of the ABS definition. This clear distinction is necessary in order to avoid the persistent conflation of unemployment as a concept with ABS unemployment data which dogs discussions of unemployment.

An examination of the construct validity of the ABS operational definition of unemployment requires some attempt at delineating an independent conceptual understanding. This is bound to be contentious. Others (McMahon and Robinson, 1984: 9) have made criticisms of the ABS operational definition which are based on the economic theory of labour supply, distinguishing the ABS statistical measure of unemployment from the economists’ conception of untapped labour willing to be supplied by individuals. It is possible to examine the labour force definitions from the standpoint of a more distinctively sociological understanding.
As I have argued in Chapter 3, people commonly ascribe to themselves some relatively durable status: 'unemployed', 'worker', 'part-time worker', 'housewife', 'student' or 'retired', based not so much on the detail of their weekly or monthly activity but on their commonly perceived role in the social division of labour. If they are asked what they do, they will usually respond in terms of their occupation (if a worker), or report themselves to be unemployed (if they are involuntarily jobless) or respond in terms of another of these common representations. These common understandings, shared by individuals with the people in their close and wider reach, are very prominent in our culture which largely ascribes status by a persons' place in the working world. People are generally able to choose a single representation that sums up the role that they and others believe them to fulfill.

Any measure of unemployment, if it is to have an intuitive appeal and a general acceptability, must tap into these common conceptions. Like the behaviours on which the ABS bases its labour force definitions these conceptions are a social artifact with an existence independent of the researcher. Unlike the ABS measures, however, these conceptions also have an independent social meaning: a real meaning for the respondent. It seems unnecessarily trite to say that the best way of discovering whether people are unemployed is to ask them if they consider themselves to be unemployed. A less precisely defined measure such as this, which is based on real social meanings, will be at least as accurate as a narrowly defined measure of behaviour which does not correspond to common social understanding. While both may be quantifiable, it may not be at all clear in the latter case what the numbers really mean. This is the predicament of ABS labour force data. The ABS operational definitions of the labour market roles, while they are precisely defined, suffer a poor construct validity.

A.3. Definitions of labour market roles

No series of labour force data exists in Australia which was intentionally designed for flows analysis. Those that are used are essentially stock data that have been pressed into service. The shortcomings of the definitions of labour force activities used in these stock data are carried over, and in some cases amplified, in their use for flows analysis. While there exists a growing literature critical of these stock measures, the consequences of using the same definitions for flows analysis have never been examined in any detail, and consequently are not recognised.
A.3.1. Unemployment benefit

The data published by the Department of Social Security (DSS) describing recipients of unemployment benefit is not a measure of unemployment but is the administrative data base of an income support payment. The characteristics of the population of unemployment beneficiaries are circumscribed by the benefit eligibility criteria. Information on beneficiaries excludes groups which may be commonly regarded as unemployed and which may be recorded by the ABS as unemployed and looking for full-time work. The major exclusions are as follows:

- School leavers applying for benefit serve a six-week waiting period. This reduces the number of teenage unemployment beneficiaries, shortens their average total duration on benefits and delays the peak entry period into benefits from December, when most young people leave school, to January/February.

- Married people whose incomes, combined with that of their spouses, exceed the income test cut-off do not receive benefits. At present this provision mainly affects married women. Consequently, the numbers of female beneficiaries, diminish very quickly beyond age 25.

- School-leavers who are 15 years of age are not eligible for benefits. It is apparently assumed that they will be dependent on their parents.

Other exclusions are:

- workers sacked for misconduct, who may serve up to a twelve week waiting period;

- people receiving benefits other than unemployment benefit - such as supporting parents benefit - who nevertheless want full-time work;

- those who are eligible for benefits but do not apply for them; and

- all those serving the normal one-week waiting period.

The DSS statistical collection about unemployment beneficiaries does not contain a definition of what it is to be unemployed. A particular group defined by age, income and work status is determined to be eligible to receive benefits. However, the composition of the beneficiary population as well as the major exclusions are clear and knowable. Apart from the obvious exclusions, the definition of unemployment which is embedded in the benefit eligibility criteria corresponds quite closely to the sociological concept of unemployment outlined above, to the extent that one of the common self-representations by unemployed people is ... "I'm on the dole".

A major shortcoming of DSS data is that it contains no worthwhile information regarding employment or non-participation in the labour force. It is
limited to the study of flows to and from unemployment. Economists studying labour force dynamics have been turned away from DSS data by these obvious shortcomings, and have largely relied on ABS gross flows data since it became available in the early 'eighties.

A.3.2. ABS definitions

In contrast to DSS data, ABS labour force data are based on sample surveys which include precise operational definitions of what it is to be employed, unemployed, or outside the labour force. These constitute the government's official measures. Since it is based on a representative population sample the ABS collection is inherently more suitable for this purpose than is the DSS administrative database. However, the ABS operational definition of unemployment differs from the sociological notion of what it means to be unemployed in ways which are both more serious and less apparent than are the omissions of DSS data.

ABS definitions of labour market states are as follows:

- People who work as little as one hour during the week of the survey are regarded as employed (ABS E), even though they may be actively seeking full-time work. Employment is split into part-time (one hour to 35 hours per week) and full-time employment (35 hours per week or more).

- People who do not actively seek work in one of a number of particular ways during the four weeks preceding the interview are regarded as being outside the labour force (ABS N). Looking in the newspaper is not regarded as active job search.

- Consequently, to be regarded as unemployed by the ABS (ABS U) a person does not only have to be out of work and available for work, but also to have done less than one hour of casual work in the survey week, and to have looked for work in one of a defined number of ways during the four weeks preceding the survey.

- Measured ABS 'unemployment' together with ABS 'employment' constitute the ABS 'labour force'.

The ABS operational definitions depend on the measured behaviour of unemployed people during specific reference periods. The ABS measures the behaviour of individuals - such as actively seeking work - without regarding individual's underlying desires, self-identification or social roles. Consequently the measures are 'behaviourist'. The ABS definitions are arbitrary since the behaviours the categories describe are not inherently exclusive:

- The behaviour of part-time working arbitrarily takes precedence over that
of jobseeking in the hierarchy of definitions. It is possible to seek work and to work an hour or more in the survey week.

- The reference period for part-time working (one week) is arbitrarily shorter than that for jobseeking (four weeks). The use of the one and four week periods is itself arbitrary, being occasioned by the monthly nature of the survey and the limited recall of respondents.

The 'actively seeking work' criterion does not clearly distinguish between the unemployed and those in work or outside of the labour force. Firstly, the student nearing the end of a course and the worker seeking change or advancement are as likely as the unemployed to seek work. Secondly, those who would commonly be regarded as unemployed by no means always fulfill the 'actively seeking work' criterion:

> It is hard to find the job. I have answered a few ads in the papers but the take-away shops want young girls under twenty, to train them ... I have been looking for a few months on and off. I apply for a job and they refuse. One week I apply for three jobs and then I stop for a while. It makes me sad. One place there was twenty-five ladies for one position ... some people take it in their stride but I go home and take my time before I apply for more. (Sophie, in Turner, 1983: 98-99; my emphasis)

Active job search as defined by the ABS appears to be something which is more likely to be undertaken by some kinds of the unemployed than others. It requires formal approaches to employers, whether by phone, by letter, or at the factory gate or shopfront. Looking in the paper and finding nothing for which the jobseeker is qualified is as little regarded as active job search as is waiting to be offered a job by a friend or relative. Yet research findings from Australia, Britain and the USA show respectively that youth unemployed for three months or more, the long-term unemployed, and blue-collar workers were not only most likely to rely on personal contacts to find out about jobs, but were most likely actually to obtain work through these means (Eylan, 1986; White, 1983; Sheppard and Belitsky, 1966). Clark and Summers have written:

> The evidence suggests the possibility that for many teenagers, job search is a passive process in which the main activity is waiting for a job opportunity to be presented. (1980: 204)

The requirement for active job search appears to reflect normative assumptions about the deserving and undeserving unemployed. The requirement that work be sought in particular ways equally reflects normative assumptions about the value of formal approaches to employers. Together they appear to minimise the measurement of youth, blue collar and long-term unemployment.

Just as active jobsearch does not clearly distinguish the unemployed from those
outside the labour force, the behaviour of working for an hour or more in the survey week does not successfully distinguish the unemployed from the employed. To be paid for mowing the neighbour's lawn does not alter the essential labour market role of an unemployed individual. This insight has institutional recognition in a number of ways: part-time work does not exclude individuals from unemployment benefits unless it exceeds the income test limits, and social work agencies have been set up to find casual work for the unemployed. While I accept that this argument is no less contentious than the debate over the 'actively seeking work' criterion, it should not be made impossible in ABS data to distinguish between the unemployed doing odd jobs and part-time workers satisfied with the hours of their labour.

The existing ABS behavioural definitions thus confuse unemployment with both employment and being outside the labour force. That is, if respondents are measured by the ABS to be in part-time ABS E, they might really be unemployed; if they are found to be in ABS N they could equally be unemployed; but, because of the minimal definition of unemployment used, if they are found to be ABS U then in all likelihood they really are unemployed.

The ABS definitions have produced anomalies in labour market data which have limited its usefulness for policy related research. As a consequence, they have increasingly come under attack from Australian economists (Moir and Robinson, 1982; McMahon and Robinson, 1984) and sociologists (Stricker and Sheehan, 1981; Curtain, 1983). Firstly, the ABS definitions are recognised to produce a consistent underestimate of unemployment. McMahon and Robinson (1984) have summed up this debate, and like Stricker and Sheehan (1981) have produced estimates comparing existing and possible measures of unemployment. The methodological advances in McMahon and Robinson's approach recommend it as the more reliable. They designed a series of alternative definitions of unemployment based on currently collected ABS data, including a maximal definition of unemployment which captured all those who reported to the ABS that they were currently without full-time work and wanted a full or part-time job. While the ABS U rate stood at 7.3 per cent in March 1983, their maximal rate reached 19 per cent (1984: 29). McMahon and Robinson wrote:

The actively seeking work criterion does not, and cannot, provide a clear and unambiguous indicator of labour supply. Officially recorded levels of unemployment are likely to undercount the number of job seekers thereby providing only a crude measure of aggregate unemployment and hence also of aggregate labour supply. (1984: 12)
The undercounting of unemployment by the ABS is likely most greatly to affect the measurement of long-term unemployment. As described above, the long-term unemployed are less likely actively to seek work. This is because of the 'discouraged worker effect', which means that the unemployed, while perhaps remaining on unemployment benefit or registered with the CES, give up the active search for work because they are disgruntled with successive failures. They are consequently measured by the ABS as being outside the labour force.

Secondly, ABS definitions have produced a highly variable measured labour force which fluctuates unpredictably in response to economic trends. The ABS labour force participation rate has begun to vary greatly in response to downturn and improvement in the economy.

- During the economic downturn of August 1977-78, ABS E fell by 25,800, but the number recorded in ABS U only increased by 10,600. The remainder appeared directly to leave the labour force (to ABS N).

- Conversely during an economic upturn in August 1979-80, ABS E grew rapidly by 205,000 jobs. However ABS U did not fall because of the entry of 223,700 people into the ABS labour force from ABS N. (National Economic Summit Conference, 1983: Vol III, 78-79; reported in Curtain, 1983: 8).

Publication of CES registrant data was stopped by the Fraser Government at a time when the numbers of CES registrants consistently outran the numbers 'officially' measured as unemployed by the ABS. Similarly, despite the major exclusions from unemployment benefits, the numbers of unemployment beneficiaries have exceeded the numbers 'officially' unemployed during periods of economic decline such as 1982/83.

These anomalies suggest that the unemployed are more likely actively to look for work when work is actually available. This reduces ABS measured unemployment during downturn in the economy. By contrast, when the economy improves unemployed people become encouraged and recommence a search for work. In ABS data this appears as a growth in unemployment. The numbers of recorded ABS U during economic decline do not reflect either the magnitude of real unemployment or of potential labour supply.

Thirdly, the definition used by the ABS to determine whether a person is unemployed can not be used to find out how long they have been unemployed. Because the accurate measurement of ABS U and ABS E depend on the use of a reference period of four weeks preceding the survey and a 'survey week', respectively, it is not possible to apply them to the past. It can not be expected that a
respondent will accurately remember - for up to a year - an hour's casual employment or a lull in active jobseeking. As a result the previous labour force history of respondents is measured differently to their current status. Once a person has been identified as unemployed, they are asked how long they have been jobless. This is a much more inclusive definition which leads to anomalies in ABS data. In surveys of those identified as recent re-entrants into the labour force (from ABS N), unemployed respondents have reported durations of unemployment ranging up to several years. These results underlines the poor construct validity of ABS definitions.

In summary, the ABS definition of unemployment measures behaviour which does not adequately reflect the concept purported to be measured. Rather than measuring unemployment the ABS is measuring some jobseeking activities; which can best be understood as something that some of the unemployed do some of the time; and which less of the unemployed do during times of decreased job availability. The existing ABS measure of unemployment produces a minimal but highly variable estimate of unemployment which does not vary in expected ways with changes in the economy. The problems of construct validity in ABS definitions of labour market roles outlined above are exacerbated in their use for flows analysis by the methodology employed.

A.4. Sampling and flows methodology: techniques using ABS data

An obvious starting place for converting ABS stock data to labour force flows data is to match respondents from one monthly labour force survey with those from the next. Only about 80 per cent of respondents can be matched from one month to the next because:

- one-eighth of the total sample (12.5 per cent) is replaced each month; and
- some respondents can not be found in successive surveys.

As a result, some 20 per cent of each month's sample are newly drawn respondents. The sample for any particular month is a mixture of newly drawn respondents and those previously sampled, some of whom have been interviewed seven times before. To follow any month's replacement sample of some 20 per cent results in a remainder of just over 10 per cent of the total sample after just three months. This is not an adequate basis for worthwhile longitudinal data.

The solution adopted by researchers is to treat each month's whole sample as an homogeneous group, computing gross flows for those 80 per cent who remain the following month. There are several difficulties with this method which arise from the departure from a truly longitudinal data set:
• The monthly samples are not homogeneous because respondents vary between none and seven month's duration in the sample;

• Only one change in labour market activity can be detected for each person from one month to the next - this is because changes occurring within any one month are ignored. The total number of labour market movements under ABS operational definitions will be understated by gross flows data (Foster, 1981: 63); and

• Each month's replacement sample will oversample longer durations of unemployment, employment and spells outside the labour force. This 'length bias' arises because the probability of any given spell being sampled is a function of its duration (recall the argument above). This will lead to distortions in ABS flows data since spells of unemployment are increasingly likely as their duration increases to result in flows to ABS N rather than to ABS E, as a consequence of the discouraged worker effect. This is in fact a reported finding of ABS research (Brooks and Volker, 1984), but the authors did not canvass whether this might be an artifact in the data.

• Because individual respondents are not followed from month to month, information on completed durations of spells of ABS U is not available and has to be estimated from incomplete durations. I have indicated the wide variation in estimates of average completed durations using different techniques. A further problem with this estimation is that it requires the assumption that the labour market is in a steady state (ie, inflows into unemployment being equal to outflows from unemployment) during the period of study. This is demonstrably not so, since inflow and outflow levels are not only sensitive to economic trends but to normal seasonal variations.

Trivedi and Baker (1982; 1984) have tried to extend the range of problems to which ABS flows data can be applied by using unpublished data from the Persons Looking for Work (ABS 6222.0) and Labour Force Experience (ABS 6206.0) series. The former is a survey of those currently ABS U which also asks questions about previous labour force experience, including previous spells of unemployment. The latter is a survey of persons eligible to be in the labour force which includes questions about prior unemployment experience. These two surveys can be made to serve some of the purposes of the longitudinal data required for flows analysis because they ask questions about the past. However, the data are not longitudinal.

As outlined above, previous labour force history has to be measured differently to the current labour force status of respondents. The findings of these surveys concerning the past tend more towards a common or role-based understanding of unemployment and employment than are their findings concerning the present. This change of definition is a significant departure from accurate longitudinal data. Furthermore, both the Persons Looking for Work and the Labour Force Experience series, being point-in-time sample surveys, contain an over-representation of
individuals with longer incomplete spells of employment and unemployment. No set of ABS labour force data is properly longitudinal. The data pressed into service falls well short of that desirable.

A.5. Resulting distortions in ABS flows data

I have detailed problems in the ABS definitions of labour market roles as well as in transforming this stock data so that it can be used for flows analysis. How do these inadequacies affect findings commonly made from ABS flows data? Labour force dynamics is a comparatively recent area of study. Consequently the operational definitions of labour force activities used by the ABS, together with the monthly crosssectional sampling design, were not designed for flows analysis. As a result:

- The social and economic meaning of the flows discovered is ambiguous;
- the departures from a truly longitudinal data base create distortions in the number of flows observed; and
- the interaction of the reference periods with the monthly timing of the Labour Force Survey and the 'actively seeking work' criterion, of itself creates observed movements in particular directions. The direction of the flows observed is distorted in the ABS data.

The combined impact of these distortions is so great that many of the conclusions based on existing analyses of ABS gross flows data can be explained as artifacts in the data without reference to any real movement in the labour force.

Firstly, the poor construct validity of ABS definitions renders ambiguous any flows discovered in ABS data involving ABS U, part-time ABS E or ABS N. A flow discovered from ABS U to ABS N could represent the following real meanings:

1. an unemployed person reduces the intensity of active job search to less than once in four weeks;
2. a discouraged unemployed person ceases active job search; or
3. a previously unemployed person becomes a student, a housewife, or retires.

A flow from part-time ABS E to ABS N has the following plausible meanings:

1. an unemployed person does no casual work in the survey week;
2. a student, retired person or housewife does no casual work in the survey week;
3. a part-time worker becomes unemployed but does not 'actively' seek work; or
4. a part-time worker retires.

Secondly, the frequency of flows into and out of unemployment is exaggerated. The labour force survey is over-sensitive to the level of a respondent's active job seeking as a result of an interaction between the monthly timing of the survey and the four-week reference period:

- a person who is not working and is looking for work once every four weeks would be in continual ABS U;
- a person looking for work once every five weeks on average would move between ABS U and ABS N once every five months on average; and
- a person seeking work about once every eight weeks would on average, register monthly movement between ABS U and ABS N.

A sober look at the three cases described would indicate little difference between the essential roles they play in the labour market. In each case jobseeking is sporadic: a behaviour pattern that could be expected from a person who was discouraged after a few months of jobseeking and a number of knock-backs. The ABS measures, when used for flows analysis, produce the wide variation observed in the behaviour of the three cases and exaggerate the level of labour market mobility. Imagine the level of flows which might be expected during a recession if the majority of the unemployed became discouraged and sought work on average once every eight weeks.

In his analysis of ABS gross flows data Foster has written:

Looking first at the flow magnitudes, it is clear that net monthly changes in stock levels are generated by relatively large gross flows... Net monthly changes of less than 6 thousand persons in each of unemployment and not in the labour force are generated by monthly flows of over 200 thousand into and out of unemployment and over 400 thousand into and out of the labour force. (1981: 57)

Foster concluded:

... large aggregate movements are evidently made each month across the labour force boundaries by persons in the normal course of their working lives. (1981: 57)

A comparison with DSS unemployment beneficiary data is instructive. During the 1979/80 financial year, monthly levels of ABS U were reported by Foster at 305 thousand. During the same period, unemployment beneficiaries averaged 306 thousand. While Foster estimated from ABS data an average monthly outflow from unemployment of 120 thousand and an inflow of 114 thousand during the financial
year (1981: 58), a monthly average of 65 thousand beneficiaries were granted benefits and an equivalent average number left. Foster's estimates from ABS data were at 1.8 times the level of flows of unemployment beneficiaries.

It could be argued that those very briefly unemployed never claim unemployment benefits, and that as a result the DSS data substantially underestimates flows. Equally, however, ABS data is not capable of discovering flows that take place within a given survey month. In comparison with a data set in which flows discovered do mean a real change in the lives of individuals (taking up or leaving unemployment benefits), ABS data exaggerates the level of gross flows into and out of unemployment.

A major defect discovered in the American BLS gross changes data (which uses the same definitions of labour market states as the ABS) is that they are very sensitive to errors in reporting or recording labour force status. Such reporting errors would, it is argued, tend to cancel each other out in stock statistics but in the calculation of labour market flows they result in a recorded transition. Re-interview studies have shown a considerable 'recall error'. Such 'recall error' was found to raise the magnitude of flows by a factor of two or three (reported in Clark and Summers, 1980: 202). Clark and Summers suggest that what has been called recall error is really a product of the arbitrary official definition of unemployment (1980: 202). While I find this argument persuasive I would add that the BLS labour force definitions, like those used by the ABS, are not subject to checking through re-interview. Being dependent on reference periods of one week and four weeks prior to the interview respectively, the levels of employment and unemployment discovered at a particular survey date can not later be checked with a greater accuracy than that originally obtained. The re-interview must use definitions of employment and unemployment which are closer than those of the original survey to the common understanding of these roles outlined above. This so-called response variance is arguably not an additional inaccuracy in the labour force flows data but is created by the departure of the labour force framework from a common understanding of unemployment. If this is true the factor of two or three by which the original flows data differed from that discovered in the re-interview roughly expresses the total error factor induced by the problems outlined above. This factor is of a similar magnitude to that estimated in my comparison with DSS data (1.8).

Thirdly, distortions in the direction of the flows observed in ABS flows data arise from the deviations of the ABS survey from a fully longitudinal design. This is most easily demonstrated by an example.
During the month of the first survey a respondent completes three weeks' full-time work, after which the respondent is made redundant. Shocked, the respondent spends the 'survey week' either at home, or in the bar commiserating with his mates. He does not look for new employment. At the beginning of the second month during which the respondent is interviewed, he begins an active job search, registering with the CES, daily checking the notice-boards, writing letters and responding to newspaper advertisements. In the week of the survey, he spends an hour mowing the neighbours' lawn and earns eight dollars.

A reasonable interpretation of these events is that the respondent was a full-time worker but became unemployed during the two-month period. The ABS instrument would discover a flow from ABS N into ABS E! It might be more reasonable to say that the ABS instrument has itself produced a flow which does not really exist and for which the respondent is little more than the occasion. The flow 'discovered' is the product of an interaction between the precedence of employment in the ordering of labour market activities, and the use of reference periods within the survey month which mean that only one transition can be discovered between the period of the surveys.

As outlined above, the use of observed behaviour to measure labour force roles necessitates the use of arbitrary reference periods. Otherwise behaviour such as jobsearch is unbounded except by the respondent's lifetime: "... have you ever looked for work ...?". The reference periods, however, interact with the timing of the surveys to produce flows where there is no change in the respondent's essential role in the labour force. This underlines the proposition that behaviourist measures are inherently unsuitable for flows analysis - and incidentally, for longitudinal analysis of any kind - since they necessitate a reference period which segments the longitudinal experience of respondents in wholly arbitrary ways.

The ABS data is not neutral concerning the direction of large bodies of flows likely to be discovered during a period of labour market upturn or downturn. Under the ABS operational definitions, changes in the level of activity of respondents makes the discovery of some flows more likely than others. Consider for example a labour market downturn in which the overall intensity both of jobseeking and of part-time working among the unemployed is in decline. Let us assume that both activities decline as the large body of the unemployed move into long-term unemployment and become more discouraged and depressed:

- while both part-time working and jobseeking are continuous, ABS E will be recorded because of the priority of employment in the hierarchy of definitions;
- when these activities become equally sporadic, ABS U is more likely to
be recorded because of the longer period (four weeks as against one week for employment) over which jobseeking is measured; and

- ABS N is the residual category in which the increasingly passive unemployed are placed when both job search and part-time work become infrequent.

The overall reduction in activity common among unemployed people as unemployment lengthens or the labour market turns down would appear in ABS flows data as a flow from employment, to unemployment, to outside the labour force. The balance of jobseeking and part-time work need not change at all during this process. The direction of the flow discovered is produced more by the measure than by changes in essential labour market status.

A further reservations about the actively seeking work criterion arises from the nature of flows discovered in ABS data. Foster (1981: 59) found:

... more persons of both sexes leaving employment leave the labour force than become unemployed, and more of those entering employment do so from outside the labour force than from unemployment.

The prevalence of such flows between ABS E and ABS N without an intervening spell of ABS U suggest two possibilities. First, some of this movement between ABS N and ABS E could be accounted for by intermittent or casual part-time employment. This possibility is reinforced because such flows directly between ABS E and ABS N are more important for females (Foster, 1981: 59) who are more likely than men to work part-time. Second, a movement from ABS N directly to ABS E without intervening measured ABS unemployment strongly suggests the possibility that finding work is not accomplished in the main by an extended period of unsuccessful job search. How is it possible to move into employment without first looking for work? I suggest that the search process has simply not been measured by the ABS. As argued above, protracted and unsuccessful job search through formal means - which is the more likely to be measured by the ABS - may not typify the activity of many of the unemployed. It is possible that in conditions of job scarcity many job seekers wait for opportunities to arise which are close at hand and which have a high probability of success. Unfortunately, the ABS series which question the unemployed about their job search methods can not shed any real light on the prevalence of passive job search, since the questions are asked only of those already identified as ABS U according to the 'actively seeking work' criterion.
A.5.1. Summary

The combined effects of poor construct validity and the lack of a proper longitudinal data base are severely damaging to ABS labour force flows information. The flows discovered are ambiguous, overestimated, and distorted in their direction. Together these shortcomings conspire particularly to minimise the measurement of long-term unemployment and to obscure the real pattern of movement into and out of this state. The 'new view' of the labour market which downplays the importance of long-term unemployment is therefore based on highly suspect data and is in need of revision. I begin such a revision - based on DSS data - in Appendix B.


In comparison with ABS Labour Force Surveys, the DSS unemployment beneficiary statistical collection is promising. While it should be repeated that the benefit eligibility criteria exclude whole categories of people who are unemployed, DSS information on those people who do receive benefits can be transformed into a longitudinal data set, avoiding the twin evils of interruption bias and length bias. Furthermore it is not subject to sampling variability because a complete enumeration is obtained of those claiming, receiving and quitting unemployment benefit.

Flows data which may feasibly be produced from the DSS data base include information on inflows, outflows, completed and incompleted duration of unemployment and recurrent spells data (how many spells of unemployment are served by the same individual); by age, sex, previous employment status and other demographic information. However, a more limited range of published and unpublished data is currently available. This includes:

- Inflow (new grants) by sex. Surprisingly, inflow data are not available by age, and this must be estimated.
- Outflow (terminations of benefit) by age and sex.
- Current (incompleted) duration of benefits, by a range of demographic data.
- Completed duration data are available from 'termination' surveys. These have been considerably improved from August 1982. While no consistent historical series is available, completed duration is now measured as the period for which the beneficiary was entitled to receive benefits. Before August 1982 duration was measured to the date of the administrative action of termination - up to four weeks after the end of the benefit entitlement.
- Average completed durations of those ending a spell of benefits during
the quarter, by age and sex, has been tabulated quarterly since August 1982.

- Recurring spells data by age, sex, spell duration and other characteristics is available. It is, however, in respect of those currently receiving benefits and is limited to a one-year period. As a result it is subject to extreme length bias, and contains a mixture of completed and incomplete spells. Ideally, the recurring spells and benefit durations of those who had just quit benefits should be examined. This would be feasible if the benefit histories of beneficiaries were merged with the 'terminations' survey. This has not yet been attempted by the DSS.

Some limited information is available on the previous employment status of beneficiaries. When people quit benefits however, their destinations are, for practical purposes, unknown. By far the largest group of beneficiaries are terminated from benefits automatically for failing to return the fortnightly benefit continuation form.

As a consequence the promise of beneficiary data is limited to the understanding of movements to and from unemployment. DSS data can not be expected to fulfill the need for more comprehensive understanding of labour market dynamics, which must depend on the development of longitudinal ABS labour force data designed for flows analysis. In the short term, unemployment beneficiary data provide the better information on long-term unemployment, completed durations and flows to and from unemployment. This information is not stored on computer tapes and requires patient manual transformation from hard copy to make it usable for analysis. The problems encountered and procedures I have followed are documented in Appendix B.
Appendix B

The Recession Cohort Effect: an Anatomy of Recent Long-term Unemployment

The growth from six per cent to over ten per cent recorded unemployment in Australia during the 1982-83 recession represented a significant social change. Not only was there quantitative growth in unemployment but unemployment beneficiary data shows that there was a significant qualitative change in its nature:

1. Those who became or were unemployed during the recession (the recession cohort) were more likely than those who became unemployed before or since to remain in unemployment for long durations.

2. Those who were unemployed during the recession and remained unemployed at its end were likely to remain in unemployment despite the recovery which took place. As a result in the post-recession period there remains an abnormally high concentration of the long-term unemployed surviving from the recession, together with those entering unemployment during the recovery who are characterised by unemployment of shorter average duration.

3. Consequently across all age and sex groups the distribution of unemployment has become increasingly bi-modal in the post-recession period. That is, there have come into being two fairly distinct groups of unemployed: firstly, those who pass through unemployment quickly after leaving school or between jobs (turnover unemployment); and secondly, those for whom unemployment has become a durable way of life. Not only has the second of these groups grown in relative and absolute terms as a result of the recession, accounting for greater proportions of all unemployment, but the middle ground between short and very long-term unemployment has decreased in relative importance. The growth in total unemployment of 1982-83 has created greater inequality in the way unemployment in Australia is divided.

These three interrelated effects of the recession in Australia may be grouped together under the heading of 'the recession cohort effect'.

Contrary to the so-called 'new view' of the labour market (refer to Appendix A), the flows analysis of DSS data presented below evidences a growing, identifiable population of long-term unemployed people for whom special labour force programs are essential if they are to gain employment. The recession cohort continues to have an outsized effect on the measured incidence and duration of unemployment.
The rate of unemployment would return to levels characteristic of 1976/77 to 1980/81 if those remaining unemployed since the recession could be provided with employment or training, or if other provisions were made for them.

B.1. An anatomy of the recession

While durations and stock levels of unemployment increased among all age and sex groups in the labour market during 1982/83, they did so as a result of quite different pressures induced by the recession. The first part of this Appendix provides the necessary background to the 'recession cohort effect' by sketching these different pressures and their consequences for each sector of the unemployed population.

B.1.1. Flows of the whole population of beneficiaries

Sources of data and method of estimation

Stock levels (numbers of beneficiaries current) and inflow data (new grants of benefit) are available four-weekly from the DSS 'Four-weekly Digest of Statistics'. Inflow data have been summed for quarterly periods from February 1978 to May 1985 in order to maintain comparability with the data disaggregated by age and sex presented below. The disaggregated information can only be estimated quarterly from the 'Quarterly Survey of Unemployment Benefit Recipients'.

While outflow data (terminations of benefit) are not available from the DSS for the entire period 1981 to 1985, fortunately it is relatively simple to derive outflow data from inflow and stock statistics because these three elements are in a direct relationship. The current stock \( S.t \) is the outcome of the stock three months previously \( S.t-1 \) plus inflow for the period \( I.t \) minus the three months' outflow \( O.t \):

\[
S.t = S.t-1 + I.t - O.t
\]

Quarterly outflows can be expressed as:

\[
O.t = S.t-1 - S.t + I.t
\]

The resulting inflows, outflows and stock levels have been graphed in Figure B.1. This figure evidences the mixed effects of normal seasonal variation and a rapid non-seasonal increase in beneficiary numbers during 1982/83.
Figure B-1: Unemployment benefits - quarterly stock levels, inflows and outflows. Unadjusted data.
To remove seasonal variation, moving average data are presented in Figure B.2. Each quarterly point was derived by summing the value for the quarter itself with the preceding and two following quarters and calculating the mean. For instance the point for August 1982 is an annual mean including the May, August and November quarters of 1982 and the February quarter of 1983.

Results

Figure B.2 demonstrates that the rapid increase in beneficiary numbers beginning during 1981 was largely inflow induced. From late 1981, as manufacturing and construction industry began to shed labour, inflows rose considerably. While outflows from benefits did decrease slightly until the May quarter of 1982, stock levels continued to rise rapidly even as outflows of beneficiaries markedly increased during the latter half of 1982. Primarily, the increase in stock numbers can be attributed to an abnormally high level of inflows into unemployment beginning in late 1981 and continuing to increase until the May quarter of 1983. This period can be identified as that of the economic recession in Australia.

During 1983 outflows from benefits rose in response to the pressure of increased stock numbers, marginally overtaking inflows during 1984 to effect a gradual reduction in the stock levels of unemployment. The period from the November 1983 quarter can be identified as one of recovery in the Australian economy. The normal seasonal pattern of unemployment returned (refer back to Figure B.1) although at a higher total level of unemployment.

B.1.2. Estimation of flows by age group and sex

Method of estimation

Inflow (new grants) data is not available from the DSS disaggregated by age group and sex. It has been estimated from total inflow and stock data. The DSS conducts quarterly surveys of unemployment beneficiaries. Rather than sample surveys, these are complete enumerations of the numbers of beneficiaries current. Unpublished tables are available which tabulate the current unemployment durations of beneficiaries by age and sex. I have grouped the ages of beneficiaries into seven age groups for male and four for female beneficiaries. All females aged 25 or over have been grouped in the presentation of the data because their numbers decrease rapidly with age. This is a consequence of the income test on the spouse's income (referred to in Appendix A) which excludes many married women from receiving
Figure B-2: Unemployment benefits - quarterly stock levels, inflows and outflows. Annual moving average data.
unemployment benefits. Those who are in the 0 to 1 months duration group at the
time of the quarterly unemployment beneficiary survey are those who remain from
the inflow group taking up benefits during the month before the survey. Some early
outflow will have already taken place. The proportion of all of those in the 0 to 1
months duration segment constituted by each age and sex group was determined.
This proportion was then applied as a weight to the known total inflow occurring
during the period, giving an estimated quarterly inflow for each age and sex group.

Outflow data have been estimated from stock numbers and the derived inflows
using the method described previously. Moving average data have been derived for
each age and sex group (Tables B.1, B.3 and B.5) using the method outlined above.
Further, to simplify proportional comparison these moving average data have been
indexed to a May 1981 starting point (Tables B.2, B.4 and B.6).

Results: inflows

The increase in unemployment of 1982/83 was governed by an increase in
inflow into unemployment (Figure B.2). However, this increase in inflows
characterised some groups much more than others. In Table B.2 I have underscored
the maximum proportions of the May 1981 base levels of inflows that were reached
by the inflows of each age and sex group. In general the maximum levels of inflow
into unemployment during the recession increased with age, and males of each age
group experienced greater increases in inflows than did females of the same age
group. At their highest point males aged 16 or 17 were only 1.2 times, and males
aged 18 to 20 only 1.3 times more likely to enter unemployment than during the
May 1981 quarter. Young females aged 16 and 17 experienced no increase in
inflows at all, perhaps related to the increased female school retention rate of the
period, while those aged 18 to 20 reached only 1.1 times their basal level of inflows.
By contrast, inflow levels of males aged 35 to 44 nearly doubled.

These patterns underline the nature of the unemployment generated in the first
instance by the recession. Blandy and Creigh (1983, 173), using ABS data, found
that while total employment declined by 2.4 per cent in the year to April 1983,
male employment declined by 3.2 per cent in response to downturn in industries and
occupations in which females were underrepresented: manufacturing and
construction. The 1982 increase in unemployment was, in the first instance, created
by the shedding of adult male labour from industry.
### Table B-1: Quarterly inflow levels, by age group and sex - Annual moving average data. (in thousands)

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### Table B-2: Quarterly inflow levels, by age group and sex - Annual moving average data indexed to May 1981 base.

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<tr>
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<tr>
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</tr>
</tbody>
</table>

Results: stocks

Stock levels in the main peaked two to three quarters later than inflows (Table B.4.) All males aged 18 or over doubled their numbers in the stock of unemployment between May 1981 and November 1983, while those aged 35 to 44 reached 2.6 times their May 1981 stock levels. As with inflow levels, the stock levels of females in each age group did not increase as much as those of males of the same age groups. While younger males and females did not experience the dramatic rises in inflows into unemployment experienced by adult males, only females aged under 21 years were substantially spared the rapid rise in stock levels which followed it. Why did young males and older females suffer a marked increase in unemployment when inflow data show the increase in unemployment to be mainly an adult male inflow phenomenon? The answer lies in the pattern of outflows from benefits.

Results: outflows

From the May 1981 base level the outflow levels of all groups began to fall. I have underscored the relative low points in Table B.6. A year before the dramatic increase in unemployment, the fall in the numbers of people leaving unemployment was a first sign of economic stagnation. As Figure B.2 demonstrated, outflows rose again during 1982, initially, I believe, in response to the pressure of increasing stock numbers, and later, in response to economic recovery.

Within this broad pattern of outflows three quite distinct groups can be distinguished in the pattern of response to recession and recovery: firstly, young males and females aged under 25 years; secondly, prime aged males aged between 25 and 55 years; and finally, males aged 55 years or more, together with females aged 25 or over. This group of older females, covering a broad age range, appears to share some of the characteristics both of prime-aged and of older males.

While the outflow levels of males and females aged 25 or over reached their low point in the August and November quarters of 1981, the outflow levels of young males and females continued to fall until the May quarter of 1982 (Table B.6). With the exception of males aged 21 to 24 the outflow levels of younger males and females also fell further than those of older beneficiaries. Rather than being related to a rapid increase in inflows, the increases in youth unemployment during 1982/83 can be attributed to a fall in the rates of outflow from unemployment for those unfortunate enough to become unemployed during the recession.
Table B-3: Quarterly stock levels, by age group and sex -
Annual moving average data.
(in thousands)

<table>
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<tr>
<th>Year</th>
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<th>Females Aged:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>16-17 18-20 21-24 25-34 35-44 45-54 55+</td>
<td>16-17 18-20 21-24 25+</td>
</tr>
<tr>
<td>1981</td>
<td></td>
<td></td>
</tr>
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<td>May</td>
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</tr>
<tr>
<td>Aug</td>
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</tr>
<tr>
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<td>18.4 37.8 43.3 61.5 29.5 22.0 17.0 20.6 36.7 21.9 23.5</td>
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</tr>
<tr>
<td>1982</td>
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<td>19.4 41.3 48.2 68.5 33.9 23.7 18.1 20.8 38.5 23.6 25.2</td>
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</tr>
<tr>
<td>May</td>
<td>21.4 47.8 57.0 81.0 39.2 27.2 20.5 21.7 41.7 26.5 28.1</td>
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</tr>
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<td>24.6 55.5 67.2 96.2 47.3 31.7 23.5 22.8 45.0 29.4 31.0</td>
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<td>1984</td>
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<tr>
<td>May</td>
<td>28.0 65.1 78.8 119.2 64.1 41.9 33.9 23.5 49.2 34.2 42.3</td>
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<tr>
<td>Aug</td>
<td>27.1 64.3 77.7 117.5 63.4 41.5 33.9 23.1 48.9 34.4 43.2</td>
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Table B-4: Quarterly stock levels, by age group and sex -
Annual moving average data indexed to May 1981 base.

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<td>16-17 18-20 21-24 25+</td>
</tr>
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</tr>
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</tr>
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<tr>
<td>1982</td>
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<tr>
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</tr>
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### Table B-5: Quarterly outflow levels, by age group and sex - Annual moving average data. (in thousands)

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<tr>
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<tr>
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<tr>
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<tr>
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### Table B-6: Quarterly outflow levels, by age group and sex - Annual moving average data indexed to May 1981 base.

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<td>Qtr 16-17 18-20 21-24 25+</td>
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<tr>
<td>Aug</td>
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<tr>
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<tr>
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<tr>
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<tr>
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<tr>
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</tr>
<tr>
<td>Feb</td>
<td>.96  1.07  1.19  1.32  1.18  1.15  .83  1.00  1.22  1.38</td>
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</tbody>
</table>

Why the outflow rates of younger people should fall is not difficult to guess. Those males and females who were laid off during the recession in large numbers had an advantage in work experience and occupational skills which could not be matched by younger workers. Where work was available the young unemployed were disadvantaged in competition with the unusually large pool of experienced labour that became unemployed during the recession. That this experienced labour was more likely to be hired is evidenced by the lesser drop and earlier recovery in the outflows of prime aged males, and of females aged 25 or over.

Females aged 25 or over and males aged 55 or over differed from prime-aged males in their responses to the recovery. Their pattern of inflows and outflows did follow the same timing as those of prime-aged males. However a factor unique to women aged 25 or over was that their outflow levels failed to exceed inflow levels up to the February 1985 quarter, resulting in a continuing gradual increase in stock numbers. While the stock levels of males aged 55 or over have gradually decreased since the November quarter of 1983, like the older females they have not experienced the recovery in outflow levels necessary significantly to reduce their stock of unemployment. Like the younger unemployed (aged under 25 years), the older unemployed appear to have been at a disadvantage in the intense competition for available work which followed upon the labour shedding phase of the recession.

In brief, my analysis of unemployment beneficiary inflows, stock levels and outflows suggests that the great increase in unemployment of 1982/83 was not uniform in its impact on groups of the unemployed:

1. The primary movement which created the great increase in unemployment of 1982/83 was a massive inflow into unemployment of male workers in their middle years who had been shed by industry. For this group the increase in unemployment was an inflow phenomenon.

2. A secondary movement which followed it was the retention in unemployment of other groups who failed to compete successfully with the large pool of experienced labour thus cast into unemployment. For these groups the increase in unemployment of 1982/83 was much more related to a decrease in outflows from benefits.

Together, these movements have not only wrought increases in the average completed durations of unemployment of males and females of all ages but have created changes in the distribution of unemployment.
B.2. Changes in the distribution of unemployment duration in the two decades to 1985/6

B.2.1. Average completed durations of unemployment

Table B.7 shows the average numbers on unemployment benefits at the end of each week during the fiscal year for the two decades to 1985/6, together with the number of new grants of benefit made during the year. Total inflows (new grants) summed with the number on benefits at 1 July each year gives the total number of spells of unemployment benefit during the financial year.

<table>
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<th>Fiscal year:</th>
<th>Average stock level</th>
<th>Total new grants of benefits</th>
<th>Total number of spells</th>
<th>Turnover rate</th>
<th>Average completed duration</th>
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<td>'000</td>
<td>'000</td>
<td>'000</td>
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<td>(weeks)</td>
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<td>811.8</td>
<td>1,373.2</td>
<td>2.4</td>
<td>35.9</td>
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Total annual inflows may be divided by the average stock number to give a 'turnover rate' through benefits. The lower this turnover rate the higher the average duration of a spell of unemployment. A turnover rate of one, for example, means that the pool of beneficiaries is replaced only once during the year: giving an average unemployment duration of exactly one year. As a further example, if flows were sufficient to turn over the pool of beneficiaries 12 times in a year the average duration of benefit spells would be one month. An average completed duration of unemployment in weeks (WEEKS ACD) can thus be calculated from annual inflow (I) and stock (S) data as follows:
\[ \text{WEEKS ACD} = \frac{52}{(I \div S)} \]

The average durations so derived are in Table B.7.

While the average completed duration of benefit spells can be estimated from inflow and stock numbers, it is logically more precise to discuss the stock figure as an outcome of inflows and duration:

\[ S = \frac{(I \times \text{WEEKS ACD})}{52} \]

During the years to 1970/71, new grants of benefit remained below 160 thousand per annum, while average durations barely exceeded 7 weeks. As a result average stocks remained below 22 thousand beneficiaries. During 1971/72 inflows almost doubled over those of the previous year to some 255 thousand. Average durations did not increase significantly. The doubling of the stock of unemployment to 29 thousand was inflow induced: more people became unemployed. A similar cause can be seen for the massive leap in stock numbers from 34 thousand in 1973/4 to 116 thousand during the recession of 1974/5. While the number of people entering unemployment more than trebled the average duration of their spells of unemployment remained less than 9 weeks.

From the mid 'seventies to the early 'eighties (1981/82) a quite different dynamic can be observed. Annual inflows remained in the seven and eight hundred-thousand. Stock levels grew from 190 to 330 thousand over the period, but as a result of increases in the average duration of a spell of benefits to just over 20 weeks. The stock level grew not so much because there were more people becoming unemployed but because the existing unemployed found greater difficulty in leaving benefits.

During the recession of 1982/83 both inflows and average durations increased, combining to effect a further large increase in stock levels to some 540 thousand. When inflow levels abated in the following year however, stocks continued to increase, as the result of a leap in the average duration of a spell on benefits to 33 weeks. During the two years of comparative recovery of 1984/86 the numbers of beneficiaries have only slowly abated, even though the number of people becoming unemployed each year has returned to the historic level of the mid 'seventies to early 'eighties. The stock of beneficiaries has been held at double the historical average of that period by continuing increases in average durations to some 36 weeks (over 8 months). Evidently the current high levels of unemployment are much more duration than inflow governed. This is a departure from the historic trends of the previous two decades.
This fact is of great importance to the design of policies to reduce unemployment in Australia. It suggests that efforts to reduce inflows into unemployment - such as raising the school leaving age or making provisions for new labour market entrants - are mistaken. The current unemployment rate will be much more responsive to reductions in the average duration of a spell of unemployment. I argue below that this is particularly true of reduction in the number of spells of very long-term unemployment because of the great effect on measured unemployment of outlying spell durations.

Table B.8 shows a more detailed quarterly view of benefit durations from August 1982 to August 1985 which is based on DSS surveys of beneficiaries leaving benefits during each quarter. This data first became available from the DSS for the August quarter of 1982. Though they refer to the average durations of outflows from benefits and are therefore differently based, these durations show a close correspondence with those calculated above, increasing markedly between 1982 and 1985. In moving average terms the mean duration of a spell of unemployment increased from 20 to 30 weeks, or from less than five to some seven months.

Table B-8: Average completed durations of unemployment benefit, August 1982 to November 1986 quarters

<table>
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<tr>
<th>Quarter:</th>
<th>Unadjusted data (weeks)</th>
<th>Moving average data (weeks)</th>
</tr>
</thead>
<tbody>
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<td>28.6</td>
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</tr>
<tr>
<td>November</td>
<td>19.3</td>
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<tr>
<td>February 1983</td>
<td>18.5</td>
<td>20.9</td>
</tr>
<tr>
<td>May</td>
<td>21.4</td>
<td>22.9</td>
</tr>
<tr>
<td>August</td>
<td>24.4</td>
<td>24.8</td>
</tr>
<tr>
<td>November</td>
<td>27.2</td>
<td>27.2</td>
</tr>
<tr>
<td>February 1984</td>
<td>26.3</td>
<td>28.3</td>
</tr>
<tr>
<td>May</td>
<td>30.9</td>
<td>29.1</td>
</tr>
<tr>
<td>August</td>
<td>28.8</td>
<td>29.4</td>
</tr>
<tr>
<td>November</td>
<td>30.4</td>
<td>29.0</td>
</tr>
<tr>
<td>February 1985</td>
<td>27.6</td>
<td>29.7</td>
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<tr>
<td>May</td>
<td>29.0</td>
<td>30.1</td>
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<td>August</td>
<td>31.7</td>
<td>30.4</td>
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<td>November</td>
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<td>30.6</td>
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<tr>
<td>February 1986</td>
<td>28.8</td>
<td>30.1</td>
</tr>
<tr>
<td>May</td>
<td>29.5</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>36.8</td>
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</tr>
</tbody>
</table>


The lesser turnover and increased durations of unemployment are evidence that there has come into being a relatively more stable population of the unemployed. On average unemployment has become less a transition between jobs and more a durable way of life.
The increase in average completed durations has affected all groups of the unemployed, albeit in different measure. Table B.9 shows the average completed durations of unemployment of beneficiary groups according to their sex and age group, by their period of entry into benefits. Before discussing these results the method of their derivation requires careful explanation.

B.2.2. Method of estimation

DSS tabulations on the current duration of unemployment benefits can be divided into six-monthly duration segments as follows: 0 and up to 6 months, 6 and up to 12 months, 12 and up to 18 months, and 18 and up to 24 months. After 24 months the six-monthly segmentation of unemployment duration can not be maintained. I have estimated one further segment (24 and up to 30 months) by halving the group tabulated by the DSS as being unemployed between 24 and 36 months. Those who remain unemployed after 30 months form a residual group.

A problem with DSS data on the benefit durations both of those currently receiving benefits (incompleted durations) and of those leaving benefits (completed durations) is that it tabulates the current age of the unemployed individual with the duration of unemployment. As the spell of unemployment lengthens, correspondingly the recorded age of the beneficiary increases. As a consequence in DSS data there are few 16 or 17 year olds who have been unemployed for over a year. In their estimation of average completed and incompleted durations of unemployment the DSS do not take into account this artifact in the data. Consequently the average duration of a spell of unemployment of those aged 16 and 17 appears much less than the average spell duration of older beneficiaries.

The age of beneficiaries at the time they first entered unemployment, more than their current age, says something meaningful about their chances of gaining employment. It implies something about their probable level of education and work experience, and has an impact on their wages costs to employers at their time of becoming unemployed.

The age of beneficiaries at the time of their entry to unemployment has been estimated. Logically this is comparatively simple but it is a laborious and largely manual process. The DSS tabulates the age of beneficiaries in years. It is possible to divide the duration segments tabulated by the DSS into six-monthly intervals as described above. From these two elements the age of the beneficiary at the beginning of their unemployment spell can be estimated. Those unemployed for less than six months I have held at the age tabulated by the DSS. Those unemployed
Table B-9: Estimated average completed durations of unemployment, by age group and sex -
Inflow cohorts February 1981 to November 1983

<table>
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<tr>
<th>Six months up to</th>
<th>Males Aged:</th>
<th>Females Aged:</th>
<th>Total All</th>
</tr>
</thead>
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<td>weeks duration</td>
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<tr>
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<tr>
<td>38.6 39.5 37.7 39.9 46.1 49.1 35.2 41.7 33.1 32.3 39.1</td>
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<tr>
<td>1982</td>
<td>Feb</td>
<td>23.7 35.3 35.7 38.5 45.0 54.6 36.1 32.1 38.3 35.0 36.8</td>
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<tr>
<td>May</td>
<td>34.3 32.2 31.5 32.6 39.9 46.2 32.4 31.9 29.6 32.7 33.3</td>
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</tr>
<tr>
<td>Aug</td>
<td>33.2 33.2 27.6 36.9 42.2 51.8 36.6 38.7 29.4 33.8 34.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>24.5 25.9 25.4 25.0 26.3 29.2 24.1 25.4 23.6 24.4 25.2</td>
<td></td>
<td></td>
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</tbody>
</table>


for six months to a year would have been aged six months younger on average at the time of their entry to benefit. Because I have used grouped data I have made use of this simple probability and distributed half of those currently aged 20, for instance, to the 20 year-old inflow group, and half to the 19-year old inflow group. As a further example those who have been unemployed for one year to eighteen months would have been aged one year younger than their tabulated current age, so that those tabulated as currently 20 years would have been aged 19 upon entering benefits.

The experience of age-grouped 'entry cohorts' into unemployment can now be followed for over 30 months. The structure of this data base is illustrated in Table B.10, which shows the entry cohorts into unemployment according to the period during which they entered unemployment as well as how many of the beneficiaries in these entry cohorts remained in successive surveys spaced at six-monthly intervals. Those who entered unemployment during the six months up to February 1981 might appear again in the February 1981 beneficiary survey in the 0 to 6 months duration segment. The difference in the size of the two groups gives the levels of outflows occurring in that entry cohort at a duration of less than 6 months. Those who left unemployment between the February 1981 and August 1981 surveys had completed durations of unemployment of between one week and 12 months; while those who remained unemployed appeared again in the August 1981 survey aged six months older and at a duration of 6 months to one year, and so on. The reader should
note that the duration-ranges applying to the tabulated current durations and the completed durations I have estimated from them are not identical, because those completing spells of unemployment may not have survived into the current durations tabulated by the DSS. While current durations appear in discrete six-monthly intervals, completed durations have to be estimated within twelve-monthly intervals which overlap in part.

Table B-10:  Period of entry to benefits and survival into subsequent surveys: structure of the data. (in thousands)

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</table>

From this data I have estimated the average completed durations of unemployment of each age and sex group. The midpoint of each completed duration interval has been multiplied by the number of beneficiaries who left benefits during that duration interval. The midpoints used were 3, 6, 12, 18, and 24 months respectively for the 0-6, 0-12, 6-18, 12-24, and 18-30 month completed duration intervals. Those surviving beyond the 24-30 months incompletely duration interval have arbitrarily been considered to have an average completed duration of four years. This is likely to be an under rather than an over-estimation, since the possible completed spell length of those who have not left unemployment after 24 to 30 months is logically made finite only by the lifespan of the beneficiary.

The use of midpoints has led to an overestimation of average completed durations by about 30 per cent. Outflow probabilities generally decline as the duration of unemployment increases (see Table B.12 below). Consequently more people would be expected to quit benefits towards the beginning of each six-monthly interval than towards its end. While durations have been overestimated, the data is sufficiently responsive to allow comparisons over time and between groups.

Average completed durations have been tabulated according to the period of entry into benefits firstly because this is completely novel information and secondly because it better reflects the comparative experience of cohorts entering unemployment before, during or after the recession. Like the tables dealing with gross flows presented above, this data is presented in moving average form better to isolate trends in unemployment duration, as well as indexed to a May 1981 base to allow more ready proportional comparisons.

B.2.3. Results

Unlike the DSS terminations data for all beneficiaries (recall Table B.8) which gives average durations of all those leaving benefits during quarterly periods, Table B.9 gives the average unemployment durations of all those who entered unemployment during each six-monthly period. While the DSS terminations data showed a continuing increase in completed durations, the inflow cohort data in Table B.9 shows a decline in the average completed duration of cohorts entering unemployment after the height of the recession in late 1982.

These differences are due to differing time-references. Those who entered unemployment during the recession had on average a longer duration of unemployment than those who became unemployed subsequently. This is established by Table B.9. However this group has a continuing impact on the average
completed durations of all those who leave unemployment in the period after the recession. This is the effect captured in Table B.8.

Unfortunately Table B.9 ends with 1983 entry cohort data because the complete 30 month history of unemployment was not yet available for cohorts beginning their unemployment spells later than this. However it is clear that those who entered unemployment during the height of the recession (in late 1982) experienced longer average unemployment durations than those who entered unemployment before or since. This pattern was common to all age groups, both for males and for females. In the average duration of unemployment there is a clear ‘recession cohort’ effect. Completed durations of unemployment were greater for males aged 18 to 20 and for those aged over 45. Females of all age groups experienced longer durations of unemployment than males of the corresponding age group (Table B.9).

Average durations can hide as much as they reveal. As a result of the recession a greater proportion of the unemployed came to experience very long unemployment durations, while others experienced no difficulty in leaving unemployment. Although average durations of unemployment have increased, within this overall trend two separate classes of unemployment experience have come into being. This phenomenon is described below.

B.2.4. The survival experience of entry cohorts into unemployment

The data used to explore the survival experience of entry cohorts in unemployment is similar to that used to calculate completed durations. I have used the SPSSX program ‘Survival’ to examine the proportions of beneficiaries who remain (survive) on benefits in a given six-months duration interval. A major benefit of this program is that it can make use of records for entry cohorts which were truncated to as little as a single interval because of the lack of later data. Consequently the survival experience of 17 cohorts entering unemployment in six-monthly periods from the six months up to February 1981 to the six months up to February 1985 have been used in the calculations.

Table B.11 chronicles the survival experience of all beneficiaries by tabulating the cumulative proportions remaining in unemployment at the end of each six-monthly duration segment. The survival functions of all beneficiaries entering unemployment during three periods are graphed in Figure B.3. The periods of entry into unemployment have been grouped:
• the pre-recession cohort includes all those entering unemployment from the six months up to February 1981 to the six months up to February 1982;

• the recession cohort is composed of those entering unemployment from the six months up to May 1982 to the six months up to August 1983; and

• the recovery cohort includes those who entered unemployment from the six months up to November 1983.

Table B.11 shows, for all groups together, that 42.8 per cent of the pre-recession cohort survived to be recorded in the 0-6 months duration segment, compared with 55.9 per cent of those who entered unemployment during the recession. This represents an increase in retention in unemployment of over 13 percentage points. Similarly, while 15.2 per cent of pre-recession cohorts remained unemployed to enter the 6-12 months duration segment, 25.3 per cent of the recession cohort remained unemployed in this interval, an increase of over 10 percentage points. The same trend can be observed for all duration segments: those who entered unemployment during the recession were more likely to remain in unemployment from period to period than those who entered unemployment previously. This can readily be seen in Figure B.3. Finally while 3.7 per cent of all pre-recession entrants into unemployment remained after the 24-30 months duration, over 5 per cent of those who entered unemployment during the recession remained unemployed: an increase of 38 per cent in the incidence of very long-term unemployment.

The cohorts which entered benefits during the recovery shared with the recession cohorts an increased rate of survival, in comparison with the pre-recession cohorts, during the initial 0-6 months period (Table B.11). After this duration, those entering unemployment during the recovery were less likely to survive in unemployment than the recession cohorts, and less likely to survive in unemployment than the pre-recession cohorts after 18-24 months duration. The recovery cohorts were thus initially as likely to remain in unemployment as the recession cohorts, but at longer durations they were less and less likely to remain in unemployment. This is evidenced graphically in Figure B.3. The trends described above were experienced by all age and sex groups whose experience is documented in Table B.11.

Did the recovery improve at all the chances of leaving benefits of the long-term as well as of the briefly unemployed? This remains an entirely open question since the ABS produces no time series which is capable of addressing it. If the recovery improved the chances of leaving benefits at all durations of unemployment
Figure B-3: Cumulative proportions surviving in unemployment benefits, by period of entry to benefits.
Table B-11: Cumulative proportions surviving in unemployment benefit, by period of entry to benefit and age and sex group.

<table>
<thead>
<tr>
<th>Period of entry to benefit:</th>
<th>Proportion surviving:</th>
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<th>6 to 12</th>
<th>12 to 18</th>
<th>18 to 24</th>
<th>24 to 30</th>
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<td>5.7</td>
<td>4.1</td>
<td>2.3</td>
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<td>53.9</td>
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<td>12.5</td>
<td>8.2</td>
<td>4.0</td>
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<td>no</td>
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<td>19.6</td>
<td>9.0</td>
<td>4.1</td>
<td>no</td>
</tr>
</tbody>
</table>

it follows that macro-economic policy has a part to play in the amelioration of long-term as well as aggregate unemployment. If the contrary were found it would suggest that the long-term unemployed could do little to help themselves in any labour market conditions, making them entirely reliant on whatever programs governments may offer to them.

The latter bleak picture is not the more accurate one. Table B.12 presents duration-specific outflow rates for the period under review, in a moving average form. The outflow rate represents that proportion of the pool of beneficiaries current six months ago which has not survived to the date of the survey tabulated. The outflow probability of .544 shown for February 1982 in the 0-6 months duration segment means that just over 54 per cent of all those who entered benefits during the six months up to February 1982 quit benefits before the date of the survey. The outflow rate of .627 in the following period means, then, that of those surviving to the February 1982 survey date nearly 63 per cent quit benefits before the August 1982 survey. Table B.12 shows that the average outflow rates applying during the recovery period were greater than those of the recession. This means that the chances of leaving unemployment improved during the recovery. It is important to note that this improvement occurred at all durations, though more at longer than at shorter durations of unemployment! This is perhaps due to the nature of the sorting process which employers use to hire labour, together with the special nature of the large pool of labour shed during the recession. Those who were laid off during the recession possessed work skills and previous work experience which are generally sought by employers. Although they were more likely than earlier cohorts to be thrown into long-term unemployment; they were also more likely to regain work during the recovery whatever their durations of unemployment. This is demonstrated in Table B.13. In this table, data similar to that presented in Table B.12 is displayed in a summary form for each age and sex group. Duration-specific outflow rates have been averaged for those leaving benefits respectively during the recession and the recovery periods, and the differences between them have been calculated. Broadly, those characterised by high inflows during the labour shedding phase in the economy were also those who more greatly increased their probability of leaving unemployment: males in their middle years rather than younger or older males, and male rather than female beneficiaries. While males in their middle years were those made unemployed in the largest numbers during the recession, they were also those immediately benefitted by the recovery. Ultimately the entry into unemployment of a large body of adult male workers during the recession worked more to the disadvantage of school leavers, females, and older workers. This effect of the recession has not previously been understood.
Table B-12: The probability of leaving unemployment benefits, by period of outflow - Annual moving average data

<table>
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<tr>
<th>Duration segment:</th>
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<th>12 - 24</th>
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<tr>
<td>May 1981</td>
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<td>August</td>
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<td></td>
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<tr>
<td>Average</td>
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<tr>
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<td>August</td>
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<td>.570</td>
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<td>August</td>
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<td>August</td>
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<td></td>
<td></td>
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<td>.445 .604 .476 .352 .435</td>
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</table>


While the recovery patently did improve the transition probabilities from unemployment of the long-term unemployed, it must be remembered that it did not do so strongly enough to counteract what I have called the recession cohort effect. Table B.11 showed that, regardless of age group or sex, those who entered unemployment during the recession were more likely than earlier or later entrants to remain in unemployment through successive six-monthly durations. While the effects of the recession in creating a pool of the long-term unemployed were mitigated by the recovery, a considerable over-representation of recession-induced long-term unemployment remains to be ameliorated by other means.
### Table B-13: The probability of leaving unemployment benefits during recession or recovery, by completed duration, age group and sex

<table>
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<th>Period of exit from benefit:</th>
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<th></th>
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<td>6 - 18</td>
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B.2.5. Shares of total unemployment duration

Table B.14 demonstrates that while long unemployment spells account for a small proportion of all completed spells they account for a considerable proportion of the total time spent in unemployment. This table is based on DSS quarterly data of ‘terminations’ of unemployment benefits. It shows firstly the percentage shares of all completed spells accounted for by spells of varying length. For example in the quarter to August 1985, 64.9 per cent of all spells ended during that quarter had a completed duration of less than six months. Table B.14 secondly shows the percentage shares of all unemployment time accounted for by completed spells of varying lengths. The midpoints of the completed duration intervals have been multiplied by the numbers of persons quitting benefits during that interval to give an estimated total time in unemployment. The proportional contribution of each group to that total has then been calculated. The final proportion expresses in a summary way the changing share of total unemployment of each age and sex group. Since this measure combines the incidence and the durations of unemployment in a single proportion it expresses - better than either incidence or duration alone - the total unemployment experienced by each group. Each spell is weighted in importance according to its length. Recall that a similar effect occurred in stock data. It was called ‘length bias’. Stock data and shares of unemployment time show a similar distribution of unemployment between longer and shorter durations.

By introducing the idea of shares of total unemployment time the importance of long-term unemployment is emphasised as a part of contemporary unemployment experience. It is ironic, but also instructive, that this approach mirrors the effect of length bias in stock data. Both measures do more to reflect total unemployment experience than the number of individuals who suffer a spell of unemployment.

The midpoints of duration ranges have again been used in these calculations. More detailed data was used than that which is tabulated. The 0-6 months segment has been composed of 0-1, 1-2, 2-3 and 3-6 month duration segments, enhancing the accuracy of the estimate from segment midpoints. The average completed duration of those in the 36 months and over duration category has been set to 48 months.

Results

Table B.14 firstly shows that comparatively few long unemployment spells nevertheless make up a considerable proportion of the total time spent in unemployment. While in the quarter to August 1985, spells of unemployment of
Table B-14: Percentage shares of total completed spells and duration of unemployment benefits, 1982-1986

<table>
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<tr>
<th>Year Qtr</th>
<th>Completed duration:</th>
<th>0 - 6</th>
<th>6 - 12</th>
<th>12 - 18</th>
<th>18 - 24</th>
<th>24 - 36</th>
<th>36 months and over</th>
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<th>12 - 18</th>
<th>18 - 24</th>
<th>24 - 36</th>
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Over 36 months accounted for 2.5 per cent of all ended spells they accounted for an estimated 16 per cent of all time spent in unemployment.

Secondly, spells of under six months have come to account for smaller proportions both of all spells and of all unemployment time, falling from 77.7 per cent of all spells and over a third of unemployment time in the August quarter of
1982 to just under 65 per cent of all spells and 20.9 per cent of all unemployment time in the quarter to August 1985. At the same time very long spells of unemployment (24 to 36 months and 36 months and over) increased their share both of total spells and of total unemployment duration.

Thirdly, Table B.14 reveals the recession cohort effect very clearly. In this table the recession cohort appears as a demographic ‘bulge’ moving through unemployment durations over time. I have marked this bulge in the second part of the table. The recession cohort can be seen to move into longer unemployment durations by six months every second quarter. During the recession itself short-term unemployment formed a very high proportion of total unemployment as a result of the high inflows of the period. The distribution of total unemployment time was strongly positively skewed (see Figure B.4). During 1984 the recession cohort moved into durations of unemployment of between one and two years. The distribution of time spent in unemployment tended more towards a more normal distribution (Figure B.4). Finally, during 1985 the recession cohort reached durations of unemployment in excess of two years. The distribution of total unemployment became bi-modal (Figure B.4). During the quarter up to August 1985 completed spells of unemployment of less than one year accounted for 43 per cent of all unemployment, while spells of two years or over accounted for 33 per cent of total unemployment. Completed spells of between one and two years duration, however, represented just 24 per cent of total unemployment.

B.3. Conclusion

The survival of the recession cohort into longer durations of unemployment has effected a marked change in the composition of unemployment. Long spells of unemployment became more prevalent as a consequence of the recession and accounted for an increased share of total unemployment experience. At the same time the middle ground between short and very long spells has decreased in importance. In short, the distribution of unemployment experience has become markedly less equal. On the one hand those entering unemployment after the recession are more likely quickly to leave unemployment, while on the other hand a significant proportion of the recession cohort has remained in unemployment, causing a continuing increase in average completed durations of unemployment and retarding the return of beneficiary numbers to pre-recession levels.

Together with this consideration, length bias itself has an implication for policy concerned with recent high levels of unemployment. Length bias arises in stock data because longer spell lengths have a greater chance of being counted in a given
Figure B-4: Shares of total unemployment experience, Unemployment benefits, 1983-1986
labour force survey. An important lesson is that the most effective reduction in measured unemployment would arise from a reduction in the prevalence of *long-term* unemployment. The amount of measured reduction in the stock of unemployment is directly proportional to the length of the ending spell. The departure from unemployment of a number of those who have been unemployed for two years would reduce the unemployment rate by *four times* the reduction which would result from the departure of an equal number of those unemployed for six months. Together with equity considerations, this is a powerful argument for increasing employment and training assistance to this group. If a reduction in the unemployment rate is to be paid for through the provision of training schemes, then it is more cost-effective to target such schemes at the very long-term unemployed.

As I have argued, such schemes will need to recognise the debilitating effects - on lifestyle and work-habits - of the habituation of individuals to prolonged spells of enforced idleness. The personal and social meaning of unemployment as a way of life, together with its implications for the design of labour market programs, is a problem of theoretical and practical concern which has been explored in the body of this thesis.
References


workers on work values, locus of control and health variables. *Australian Psychologist, 14(2)*, 143-154.


