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Our ref: RAS/PEE

21st July, 1972

Mr A.R. Thatcher,  
Department of Employment,  
8 St. James's Square,  
LONDON,  
S.W.1.

Dear Mr Thatcher,

In sending you these few comments on unemployment statistics I would like to emphasise three points. First, these comments represent my views only. I had been hoping to submit notes approved by a small group of us but I am just about to go on holiday and have been unable to do this in time. Second, many of the points will of course be well known to you but I felt that they were necessary to provide the background for other comments.

Finally, I ought to stress that, while these comments are generally critical, they are by no means intended to throw doubt on the quality of the collected data. As you may know, I have carried out surveys of the unemployed in Britain and the United States and, as a consultant for OECD, produced a report on the long-term unemployed in ten member countries. And from time to time I have been involved in other pieces of research which have entailed a pretty close look at different countries' data on the unemployed. So I think I have had a particularly good opportunity to examine the value and reliability of the British data on a comparative basis and from a variety of viewpoints. On the basis of this experience I would say that the quality and detail of the British data on unemployment compare very favourably with that available in other countries.

Yours sincerely,

*Adrian Sinfield*

Adrian Sinfield

## Some Comments on the British Unemployment Statistics

In comparison to data collected through state employment services in other countries the British data are of a high standard. They are in general much more comprehensive and in most respects more detailed. In this situation, the value of additional data is to complement the existing material, not to replace it.

### I The Household Survey

The value of household surveys as complementary to the existing data lies, in my opinion, in these directions.

1. More comprehensive data. The use of surveys would enable quicker and better integration of data on all the unemployed with statistics on the working population as a whole and with the rest of the population. This is, I believe, vital for reaching your objective - "a more accurate indication of the real level of unused labour resources in the economy". It seems to me that much of the concern and debate in recent years about the nature and extent of the fall in the working population could have been avoided if data from some form of regular labour force survey had been available. Even six-monthly surveys of this type would have largely removed the problems resulting from having to use adjustment factors based on the low unemployment years of 1961 and 1966.

At present the Census has to bear an unduly heavy load in providing the basis for activity rates. I do not think it right to expect the high degree of accuracy needed for labour force surveys from such a vast operation nor to use this as the only major alternative to the estimates of employees based mainly on counts of national insurance cards and to the new annual census of employment. The

development of regular household surveys using trained and experienced interviewers and building up patterns of response over time seems to me to offer a much more sensitive measure of labour force participation and available but unused labour resources.

2. Better data on the non-registered unemployed. Discussion of this group is again too dependent on the Census and the occasional survey. The particularly high rates of registered unemployment amongst older men, for example, may be accompanied by changes in the proportion registering in different regions. New programmes such as the Redundancy Payments Act and the introduction of earnings-related benefits, as well as the new Employment Service may all have affected the willingness to register in different ways. Even when the total number of non-registered unemployed remains constant, the characteristics of the group may change for a variety of reasons.
3. Changes in patterns of unemployment and employment. Sample surveys on a regular basis can help to identify more quickly and precisely changes in the working population. An example of this is the effect of the Equal Pay Act which may well lead to changes in employment practices such as a shift back to the employment of older men rather than younger women.
4. Better data on minority groups in the working population. A major difficulty at present is the integration of data on registered unemployed with those on employees in employment. An important illustration of this is the calculation of the rates of unemployment for teenagers and married women. Many teenagers are included in the working population because they have a national insurance card, although they may be in full-time education and neither working nor available for

work. This may lead to a significant understatement of the unemployment rates for young people, possibly by as much as a quarter or a third for certain age-groups. The failure of some fifteen-year-old school-leavers to register because they are ineligible for both insurance and supplementary benefits will be removed by the raising of the school-leaving age but non-registration is still likely to be greater among teenagers and will further distort the calculation of unemployment rates for youth.

For married workers of course the problem is also well known, non-registration being an even larger issue that may be particularly sensitive to overall changes in the level of employment.

I am afraid that I am not at all sure how the new annual census of employment affects this but it seems that at least the problem of non-registration of the unemployed will remain.

5. The collection of new information. Some data may be more easily collected in sample surveys, although experience in other countries has shown that data collected by sample surveys is unlikely to be as accurate or as detailed in many respects as information obtained by trained officers at local employment exchanges (e.g., industry and occupation data). One obvious illustration is data on family and marital status. Such data have long been among the biggest gaps in the British material and are valuable for two reasons - first, they provide important evidence of the social impact of unemployment and, second, data on changes in the unemployment rate of married men have been recognised to provide especially sensitive indicators of changes in the level of economic activity (see for example the Gordon Report - the U.S. President's Committee to Appraise Employment and Unemployment, Measuring Employment and Unemployment, Washington, 1962.)

6. Unemployment experience throughout the year. Data from sample surveys may reveal the proportion of the working population who experience any unemployment in the course of the year. In the United States this provides in my opinion a more sensitive indicator of the social impact of unemployment on different groups in the population. Combined with data on the duration of unemployment and its frequency, (see II.2 below), it helps to provide a better picture of the real nature of the unused labour resources in the economy (see attached tables from pp. 254-5 of the 1971 Manpower Report of the President.)
7. Special enquiries. Finally, regular sample surveys enable particular issues to be examined quickly. For example, there is some concern with the extent of information available to the Department of Health and Social Security from their entitlement to national insurance unemployment benefit statistics. Very little is known about the characteristics of those not receiving benefit (47% in May 1971), especially those registered unemployed who have exhausted their full year's entitlement to insurance benefit but are not receiving supplementary allowance (some 37,000 men in May 1971). Equally such surveys might have given us a better picture of the effects of the Supplementary Benefits Commission's standard controls or "4-week rule" procedure and the extent to which this may have affected registration for employment.

## II Additional Information from the Existing Statistics

Further information may also be obtained from the process of registration at the Department's local offices, whether or not sample surveys are used to supplement this material.

1. More occupational data on a local, regional and national basis.

The case for this has been put very strongly in the article by Nicholas Bosanquet and Guy Standish in the current British Journal of Industrial Relations.

2. Data on repeated unemployment. The 1961 and 1964 Characteristics of the Wholly Unemployed enquiries have shown clearly that many men experience frequent spells of unemployment - two-thirds of the men out of work on the day of the survey in October 1964 had been unemployed in at least one of the years before as well. My research in North Shields indicated how serious a problem this could be. The distribution of the extent of unemployment since last worked was quite close to the national picture and somewhat better than for the region as a whole. Yet in the five years prior to the interview an average of one year and five months had been spent "signing on at the dole". So the data on current duration of unemployment did not in any way indicate the enormous burden of unemployment borne over the years. The five-year analysis revealed a much wider gap between the experience of different skill-groups but reduced that between age-groups. I would like to argue that repeated unemployment needs much closer attention than it has previously been given because of its effect both on the standard of living of workers and their families and on the quality of unused labour resources (Chapter 13, "Poor and Out of Work in Shields", The Concept of Poverty, (ed.) Peter Townsend, Heinemann, London, 1970 and pp. 36-38 "Unemployment History" in The Long-Term Unemployed, OECD, Paris, 1968).

3. Further analyses and discussion. Given the quality and detail of the British data it has always seemed to me unfortunate that this wealth has not been better exploited to keep everybody better informed

of the nature, extent and impact of unemployment in Britain.

In this respect I find the articles in the U.S. Monthly Labour Review of great help, especially their Special Labour Force Reports.

One example would be an analysis of trends in unemployment for different age and sex groups.

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21st July, 1972

Table B-17. Extent of Unemployment During the Year, by Sex, 1959-69<sup>1</sup>

[Persons 14 years and over for 1959-66, 16 years and over for 1966 forward]

Item	1969	1968	1967	1966 <sup>2</sup>	1966	1965	1964	1963	1962	1961	1960	1959
Number (thousands)												
<b>BOTH SEXES</b>												
Total working or looking for work.....	93,640	91,489	89,432	87,540	89,924	87,591	86,837	85,038	83,944	81,963	82,204	79,494
Percent with unemployment.....	12.5	12.4	12.9	13.0	12.9	14.1	16.2	16.7	18.2	18.4	17.2	15.3
Number with unemployment.....	11,744	11,332	11,564	11,387	11,602	12,334	14,052	14,211	15,256	15,096	14,151	12,195
Did not work but looked for work.....	1,163	1,250	1,253	1,274	1,371	1,405	1,718	1,811	1,887	1,676	1,586	1,332
Worked during year.....	10,581	10,082	10,311	10,113	10,231	10,929	12,330	12,400	13,369	13,420	12,565	10,863
Year-round workers <sup>3</sup> with 1 or 2 weeks of unemployment.....	1,396	1,285	1,381	1,269	1,269	1,207	1,121	1,239	1,129	1,036	1,062	840
Part-year workers <sup>4</sup> with unemployment.....	9,185	8,797	8,930	8,844	8,962	9,722	11,218	11,161	12,240	12,384	11,503	10,023
Weeks unemployed: 1 to 4.....	3,614	3,632	3,357	3,348	3,403	3,151	3,060	2,708	2,993	3,098	2,834	2,569
5 to 10.....	2,177	1,989	2,073	2,038	2,059	2,208	2,550	2,407	2,759	2,559	2,704	2,348
11 to 14.....	1,057	1,036	1,177	1,047	1,058	1,286	1,518	1,595	1,700	1,669	1,517	1,403
15 to 26.....	1,542	1,406	1,520	1,567	1,585	1,995	2,444	2,622	2,768	2,849	2,466	1,070
27 or more.....	795	734	803	844	857	1,082	1,650	1,840	2,020	2,209	1,982	1,633
Two spells of unemployment or more.....	3,417	3,122	3,357	3,411	3,458	3,942	4,755	4,635	5,219	4,963	4,602	4,228
2 spells.....	1,603	1,471	1,503	1,465	1,479	1,765	2,342	2,246	2,524	2,299	2,034	1,813
3 spells or more.....	1,814	1,651	1,854	1,946	1,979	2,177	2,413	2,389	2,695	2,664	2,568	2,415
<b>MALE</b>												
Total working or looking for work.....	54,755	53,677	52,788	52,103	53,576	52,958	52,645	51,817	51,412	50,610	50,686	49,523
Percent with unemployment.....	12.3	11.7	12.6	12.5	12.4	14.0	16.3	17.2	18.8	19.4	18.4	16.5
Number with unemployment.....	6,709	6,263	6,655	6,503	6,658	7,428	8,563	8,923	9,686	9,846	9,318	8,163
Did not work but looked for work.....	365	365	396	395	467	539	667	778	773	756	653	550
Worked during year.....	6,344	5,898	6,259	6,108	6,191	6,889	7,896	8,145	8,913	9,090	8,665	7,613
Year-round workers <sup>3</sup> with 1 or 2 weeks of unemployment.....	963	900	1,002	923	923	886	815	934	817	791	779	657
Part-year workers <sup>4</sup> with unemployment.....	5,381	4,998	5,257	5,185	5,268	6,003	7,081	7,211	8,096	8,299	7,886	6,956
Weeks unemployed: 1 to 4.....	1,861	1,875	1,743	1,727	1,767	1,694	1,675	1,521	1,668	1,709	1,651	1,472
5 to 10.....	1,386	1,215	1,310	1,286	1,300	1,391	1,706	1,609	1,891	1,878	1,907	1,688
11 to 14.....	700	647	759	707	718	872	1,038	1,122	1,194	1,217	1,123	1,031
15 to 26.....	980	870	979	972	980	1,347	1,605	1,802	1,960	2,027	1,821	1,564
27 or more.....	454	391	466	493	503	699	1,057	1,157	1,383	1,468	1,384	1,201
Two spells of unemployment or more.....	2,262	2,015	2,228	2,295	2,328	2,769	3,314	3,269	3,805	3,618	3,430	3,173
2 spells.....	1,003	901	908	900	913	1,147	1,576	1,526	1,788	1,603	1,453	1,293
3 spells or more.....	1,259	1,114	1,320	1,395	1,415	1,622	1,738	1,743	2,017	2,015	1,977	1,880
<b>FEMALE</b>												
Total working or looking for work.....	38,885	37,803	36,644	35,437	36,348	34,633	34,192	33,221	32,532	31,353	31,518	29,971
Percent with unemployment.....	12.9	13.4	13.4	13.8	13.6	14.2	16.1	15.9	17.1	16.7	15.3	13.5
Number with unemployment.....	5,035	5,069	4,909	4,884	4,944	4,906	5,489	5,288	5,570	5,250	4,833	4,032
Did not work but looked for work.....	798	885	857	879	904	866	1,046	1,033	1,114	920	993	782
Work during year.....	4,237	4,184	4,052	4,005	4,040	4,040	4,442	4,255	4,456	4,330	3,900	3,250
Year-round workers <sup>3</sup> with 1 or 2 weeks of unemployment.....	433	385	379	346	346	321	306	305	312	245	283	184
Part-year workers <sup>4</sup> with unemployment.....	3,804	3,799	3,673	3,659	3,694	3,719	4,137	3,950	4,144	4,085	3,617	3,067
Weeks unemployed: 1 to 4.....	1,753	1,757	1,614	1,621	1,636	1,457	1,385	1,187	1,325	1,389	1,183	1,097
5 to 10.....	791	774	763	752	759	817	844	798	868	681	797	660
11 to 14.....	357	389	418	340	340	414	476	473	506	452	394	372
15 to 26.....	562	536	541	595	605	640	839	809	808	822	645	506
27 or more.....	341	343	337	351	354	383	593	683	637	741	598	432
Two spells of unemployment or more.....	1,155	1,107	1,129	1,116	1,130	1,173	1,441	1,366	1,414	1,345	1,172	1,055
2 spells.....	600	570	595	565	566	618	766	720	736	696	581	520
3 spells or more.....	555	537	534	551	564	555	675	646	678	649	591	535

Footnotes at end of table.



Table B-17. Extent of Unemployment During the Year, by Sex, 1959-69<sup>1</sup>—Continued

Item	1969	1968	1967	1966 <sup>2</sup>	1965	1964	1963	1962	1961	1960	1959
Percent distribution of unemployed persons with work experience during the year											
<b>BOTH SEXES</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total who worked during year.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers <sup>3</sup> with 1 or 2 weeks of unemployment.....	13.2	12.7	13.4	12.5	12.4	11.0	9.1	10.0	8.4	7.7	8.5
Part-year workers <sup>4</sup> with unemployment.....	86.8	87.3	86.6	87.5	87.6	89.0	90.9	90.0	91.6	92.3	91.5
Weeks unemployed: 1 to 4.....	34.2	36.0	32.6	33.1	33.3	28.8	24.8	21.8	22.4	23.1	22.6
5 to 10.....	20.6	19.7	20.1	20.2	20.1	20.2	20.7	19.4	20.6	19.1	21.5
11 to 14.....	10.0	10.3	11.4	10.4	10.3	11.8	12.3	12.9	12.7	12.4	12.1
15 to 26.....	14.6	13.9	14.7	15.5	15.5	18.3	19.8	21.1	20.7	21.2	19.6
27 or more.....	7.5	7.3	7.8	8.3	8.4	9.9	12.4	14.8	15.1	16.5	15.9
Two spells of unemployment or more.....	32.3	31.0	32.6	33.7	33.8	36.1	38.5	37.4	39.0	37.0	38.9
2 spells.....	15.1	14.6	14.6	14.5	14.5	16.1	19.0	18.1	18.9	17.1	16.2
3 spells or more.....	17.1	16.4	18.0	19.2	19.3	19.9	19.6	19.3	20.2	19.8	20.4
<b>MALE</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total who worked during year.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers <sup>3</sup> with 1 or 2 weeks of unemployment.....	15.2	15.3	16.0	15.1	14.9	12.9	10.3	11.5	9.2	8.7	9.0
Part-year workers <sup>4</sup> with unemployment.....	84.8	84.7	84.0	84.9	85.1	87.1	89.7	88.5	90.8	91.3	91.0
Weeks unemployed: 1 to 4.....	29.3	31.8	27.8	28.3	28.5	24.6	21.2	18.7	18.7	18.8	19.1
5 to 10.....	21.8	20.6	20.9	21.1	21.0	20.2	21.6	19.8	21.2	20.7	22.0
11 to 14.....	11.0	11.0	12.1	11.6	11.6	12.7	13.1	13.8	13.4	13.4	13.0
15 to 26.....	15.4	14.8	15.6	15.9	15.8	19.6	20.3	22.1	22.0	22.3	21.0
27 or more.....	7.2	6.6	7.4	8.1	8.1	10.1	13.4	14.2	15.5	16.1	16.0
Two spells of unemployment or more.....	35.7	34.2	35.6	37.6	37.6	40.2	42.0	40.1	42.7	39.8	39.6
2 spells.....	15.8	15.3	14.5	14.7	14.7	16.6	20.0	18.7	20.1	17.6	16.8
3 spells or more.....	19.8	18.9	21.1	22.8	22.9	23.5	22.0	21.4	22.6	22.2	22.8
<b>FEMALE</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total who worked during year.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers <sup>3</sup> with 1 or 2 weeks of unemployment.....	10.2	9.2	9.4	8.6	8.6	7.9	6.9	7.2	7.0	5.7	7.3
Part-year workers <sup>4</sup> with unemployment.....	89.8	90.8	90.6	91.4	91.4	92.1	93.1	92.8	93.0	94.3	92.7
Weeks unemployed: 1 to 4.....	41.4	42.0	39.8	40.5	40.5	36.1	31.2	27.9	29.7	32.1	38.3
5 to 10.....	18.7	18.5	18.8	18.8	18.8	20.2	19.0	18.8	19.5	17.7	20.4
11 to 14.....	8.4	9.3	10.3	8.5	8.4	10.2	10.7	11.1	11.4	10.4	10.1
15 to 26.....	13.3	12.8	13.4	14.9	15.0	16.0	15.9	19.0	18.1	19.0	16.5
27 or more.....	8.0	8.2	8.3	8.8	8.8	9.5	13.3	16.1	14.3	17.1	15.3
Two spells of unemployment or more.....	27.3	26.5	27.9	27.9	28.0	29.0	32.4	32.1	31.7	31.1	30.1
2 spells.....	14.2	13.6	14.7	14.1	14.0	15.3	17.2	16.9	16.5	16.1	14.9
3 spells or more.....	13.1	12.8	13.2	13.8	14.0	13.7	15.2	15.2	15.2	15.0	15.2

<sup>1</sup> Data for 1957-58 were published in previous issues of the *Manpower Report*.  
<sup>2</sup> Data revised to refer to persons 16 years and over in accordance with the changes in age limit and concepts introduced in 1967.

<sup>3</sup> Worked 50 weeks or more.  
<sup>4</sup> Worked less than 50 weeks.