

CHILD POVERTY ACTION GROUP

BRISTOL BRANCH

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PRESS RELEASE..... not for publication before 21.00 hrs on Friday 28 April, 1972

Extracts from a talk given by Mr. Adrian Sinfield, Lecturer in Sociology, University of Essex, to a meeting of the Child Poverty Action Group's Bristol and District Branch at the Friends' Meeting House, Hampton Road, Bristol 6, on Friday 28th April, 1972 at 7.30 p.m.

Mr. Sinfield, an expert on unemployment, repudiated last week's claim, by the Institute of Economic Affairs, that the extent of unemployment was exaggerated and called for "immediate government action" to increase the social security benefits of the unemployed.

He outlined several deficiencies in the present system of benefits for the unemployed:

- almost half the unemployed receive no national insurance unemployment benefit;
- about 6 per cent have neither unemployment, nor supplementary, benefit;
- less than 1 in 5 receive an earnings-related supplement, although twice as many appear to be entitled.

Mr. Sinfield said:

"The government must take urgent action to help the unemployed. This month's figures show the basic trend in the unemployment rate is still upwards. And, despite last week's report, from the Institute of Economic Affairs, official statistics understate the size and gravity of the problem. That is, unless, like the IEA, one believes that all those without work for eight weeks or less are not really unemployed; and claims that another 150,000 men are "unemployable" on the basis of data that even the Department of Employment admits by no means justify this claim. The unemployed still need jobs: not reclassification.

"But with many more unemployed than jobs, the failure of the income maintenance system for the unemployed demands immediate government action. At any one time, almost half the unemployed are receiving no national insurance unemployment benefit. Over half of the unemployed men without insurance benefit have exhausted all of their full twelve months' entitlement. Because of the way this is calculated, the benefit lasted only 9 months from the time they last became unemployed.

Washington, D.C.

March 10, 1934

Dear Sir:

Enclosed for you are two copies of a report...

REPORT ON THE ECONOMIC EFFECTS OF THE UNEMPLOYMENT COMPENSATION ACT OF 1932

This report was prepared by the Committee on Unemployment, Senate Committee on Labor and Human Resources, and is based on a study of the effects of the Act on the economy and on the lives of the unemployed.

The report shows that the Act has had a beneficial effect on the economy and on the lives of the unemployed. It has provided a source of income for the unemployed and has helped to maintain the purchasing power of the community.

Very truly yours,
Secretary

Enclosed for you are two copies of a report...

The report shows that the Act has had a beneficial effect on the economy and on the lives of the unemployed. It has provided a source of income for the unemployed and has helped to maintain the purchasing power of the community.

Very truly yours,

The report shows that the Act has had a beneficial effect on the economy and on the lives of the unemployed. It has provided a source of income for the unemployed and has helped to maintain the purchasing power of the community. The report also shows that the Act has helped to maintain the purchasing power of the community and has provided a source of income for the unemployed.

Very truly yours,
Secretary

"Very little is known about those without any benefit and there is a group of some 100,000 unemployed men whose reason for being without benefit is not at all clear. About 6 per cent of all unemployed men (some 37,000) have not only exhausted all their insurance benefit but are without supplementary benefit either.

"Less than one in five of the unemployed are receiving the earnings-related supplement to benefit - some 144,000 at the last full count in May 1971. This seems to be about half the number who should be eligible. The supplement of those who do receive it fails to bring the support intended, for the current methods of calculating the supplement cause it to be devalued by inflation and by past periods of unemployment and sickness.

"The failure of the unemployment insurance system has thrown an even greater burden on the Supplementary Benefits Commission. Yet it still appears too concerned with maintaining the incentive to work, by, for example, the four-week rule and measures against "voluntary unemployment", and is not going out of its way to find and reduce the poverty of the unemployed when there are more than 75 labourers out of work for every job known to the Employment Exchanges.

"There is urgent need for a major re-assessment of our social and economic policies in the whole field of employment and unemployment. While poverty amongst the unemployed and the low paid persists, many managers, senior executives and professionals are becoming virtually fire-proof with tenure and service contracts. Others are benefiting from private redundancy payments which are subsidized by the general taxpayer.

"Of course, there must be a massive reduction of unemployment but much more attention must also be paid to compensating fully the costs of unemployment. There should be a detailed enquiry as to why the national insurance system is failing half the unemployed. For the immediate crisis, the duration of unemployment insurance benefit must be extended. Value of benefits must be raised, and new measures should be designed especially to support school-leavers who are particularly poorly protected during unemployment.

"At the same time, we must start a debate on both the quality and quantity of the work we want in a modern industrial society. Unemployment is only one part of the hardship experienced by many in the labour force. Very many work for wages far too low to support a wife and two children. About one in eight working men were in poverty in April 1971; and women's wages are still only about half men's'. And many of the poorly paid are in the most insecure jobs - the same four industries provide two out of every five men in working poverty and an even greater proportion of the unemployed.

"This is a particular problem in the West Country where average earnings are the lowest in Britain outside East Anglia. For unskilled men they are the lowest anywhere in the country. This partly reflects the fact that the West has a higher proportion of working men in four of the country's lowest paying industries and a lower proportion in seven of its highest paying industries. In addition, the wages in some industries which are relatively larger in the West, such as catering, are particularly low."

For further information, or to arrange an interview, please contact David Bull at the above numbers or Adrian Sinfield at 0206 76238 or 0206 44144 Ext. 2078.