

Social Effects of Unemployment



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Statistics- social distribution

- ① 1. Trends
- ② 2. Current figures
- ③ 3. Groups
- ④ 4. Compare with home figures
- ⑤ 5. Europe
- ⑥ 6. Long term unemployed

Effects on society- Sinfield 1981

- Unemployment devalues or debases the standard or quality of life.
- Those in work feel less secure.
- Down pressure on wages.

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- The workforce becomes less willing to leave unsatisfactory jobs because fear of not being able to find alternative work-less mobile.
 - Divisions within society are likely to grow- ethnic tensions .
 - Reduces the chance of equality of opportunity- no longer recruit women.

Lea and Young 1984

- Unemployment leads to marginalisation; helps to create a **subculture of despair** in some inner city areas highlighted by inner city riots of 1981.
- Marriage breakup 70% more likely after 12 months of unemployment compared to some one who had never been unemployed.

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- ◉ Solving these has an economic cost greater expenditure may be required on the NHS for instance.
 - ◉ When people are unemployed their ability to manage the **necessities in life** are immediately jeopardized.

Double whammy- MacInnes 1987

- ▣ **Additional cost and lost income** can have serious consequences on the rest of the economy as the government is forced to fund unemployment benefits either from increased taxes or borrowing.

- The increased taxes suppress consumption, which in turn may lead to increased unemployment (people spending less, less revenues for companies, companies forced to let people off).



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- This in turn leads to a '**trickle down**' effect involving:
 - a) less spending on non essentials.
 - b) an increased reliance on governmental aid.
 - c) an adverse effect on benefits meeting demand.

costs of unemployment

- ◉ Some of the likely for society include:
- ◉ increased poverty
- ◉ crime
- ◉ political instability
- ◉ mental health problems
- ◉ diminished health standards

Families also suffer

- Homes and cars repossessed.
- Arguments at home.
- Excess borrowing prolonging the suffering even when another job is found.

Personal Financial effects

- No less than 77% with a head of the household unemployed were living in poverty- Howard 2001.
- The experience of unemployment inflicts longer-term 'scars': both the increased likelihood of future unemployment and lower subsequent earnings in employment. *Economic Journal*.

British Household Panel Survey

2001

- ◎ Evidence of significant wage penalties arising from employment interruptions—rising from 6% to a peak of about 14% after about three years.
- ◎ Also finds that it is the first experience of unemployment that has the largest scar - 21.5%

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- Work provides obligatory activity- most unemployed men found great difficulty in creating a framework which would impose on them a regular purposeful activity.
 - Work gives people a sense of identity a role in society.

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- ◉ Social life and going out both decreased.
 - ◉ Work divides the day and week into time periods.
 - ◉ Income from work provides freedom and control outside work

Leisure and unemployment

- Kelvin et al found that only certain types of leisure activities increased- watching TV, housework, reading, hobbies.
- Leisure was not an adequate substitution for work because failed to compensate for loss of social contacts.

Psychological effect-Fagin and Little 1984

- Reaction to unemployment occurs as a series of stages:
- **Phase of shock** consisted of sense of disbelief and disorientation.
- **Phase of denial and optimism** they see unemployment as a temporary situation and resolve to take advantage of it; a sense of being on holiday this is particular common amongst those who had no particular attachments to their jobs.

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- ◎ **Phase of anxiety and distress** concerned about the future.
 - ◎ final stage **Phase of resignation and adjustments** come to term with their situation lower their expectations.

Most frequent emotions experienced by
the unemployed include:

- a.) anger
- b.) fear
- c.) self pity
- d.) sadness
- e.) shame (sadly, it's no wonder that we
hear news reports of some resorting to
murder-suicide).

Health and unemployment

- Unemployed men 20% higher death rate between 16-44 (Howard 2001)



Youth and unemployment

- Unemployment disrupts the **normal transition** to adulthood; the young are denied the opportunity to become independent from parents and experience long periods of poverty.
- Many of their **peer group** will also be out of work feel less a sense of deprivation.

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- Support from government through benefits and training schemes and from families.
 - They suffer less psychological and physical harm than older people

Roberts 1986

- Unemployment affects different groups in different ways, depending upon their previous experience, expectations and the social groups they belong to.
- A young person with no experience of work would be different to the older worker made redundant after decades of work as newcomers have no established occupational identities to shatter.

Gender and Unemployment-

Henwood and Miles 1987

- ◉ Detected no significant differences between the sexes, women were as deprived as males.
- ◉ Housewife suffers from the loss of social contacts.
- ◉ Female income usually a crucial component of the family income.
- ◉ As independent women rely upon their own wage.

Sinfield 1981

- Female employment rather than unemployment is the problem because seen as primarily committed to being housewife and mothers- not a central source of identity.

Waddington 1992

- Married women often resented returning to a state of financial dependence upon the men; women took work in the first place to escape from the restrictive limitations of their domestic role young females find unemployment has traumatic as young males.

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- Scapegoats like married women or ethnic groups heightening divisions within society; unemployment reduces chance of equality of opportunity being achieved- women, disabled, the old ethnic groups.

Class and Unemployment- Payne

1987

- The middle classes suffer greater collapse of status than the working classes given the former involvement in careers whereas the working class more effected by the financial consequences.
- Zones of high unemployment as many as 50% of neighbours are also unemployed in these circumstances unemployment becomes a social condition rather than an individual problem- mass experience of unemployment.

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- There is a strong tendency for the unemployed to run in families to the extent that having the head of the household unemployed doubles the chances of the rest of the family being unemployed.

- ◉ low educational attainment
- ◉ ability not captured by education
- ◉ financial deprivation
- ◉ behavioural problems
- ◉ do raise a person's susceptibility to unemployment and explain around a half of the persistence in unemployment experiences.

McJobs

- These jobs are often held short-term, either by students or by those trying to gain experience; turnover in most McJobs is high, in excess of 30% a year.

- The impact of significant unemployment raises the power of one's employer: that raises the cost of quitting one's job and lowers the probability of finding a new source of livelihood



means:

- 1. Lacking social contact with fellow employees.
- 2. A purpose for many hours of the day.
- 3. Lack of self-esteem, mental stress and illness.

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- 4. The ability to pay bills.
 - 5. To purchase both necessities and luxuries.
 - 6. Take jobs that do not fit their skills or allow them to use their talents.

- The long term unemployed can really suffer as employers are unwilling to take a chance on someone that no one else was willing to hire.
- The longer a person is unemployed the harder it becomes to find a job

TABLE 1
Percent of all unemployed out of work for more than six months

Year	Long-term unemployed	Year	Long-term unemployed
1966	8.3%	1985	15.4%
1967	5.9	1986	14.4
1968	5.5	1987	14.0
1969	4.7	1988	12.1
1970	5.8	1989	9.9
1971	10.4	1990	10.0
1972	11.6	1991	12.9
1973	7.9	1992	20.3
1974	7.4	1993	20.1
1975	15.2	1994	20.3
1976	18.2	1995	17.3
1977	14.7	1996	17.4
1978	10.5	1997	15.8
1979	8.7	1998	14.1
1980	10.7	1999	12.3
1981	14.0	2000	11.4
1982	16.6	2001	11.8