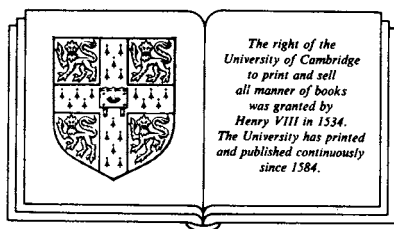


# BRITISH UNEMPLOYMENT 1919–1939

*A study in public policy*

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# Contents

List of tables	page xi
Preface	xiii
Acknowledgements	xvi

## PART I INTRODUCTION

1	<i>The nature, causes and dimensions of interwar unemployment</i>	3
	Aggregate unemployment between the wars	3
	The pattern and incidence of interwar unemployment	7
	The dynamics of the labour market: turnover and unemployment duration	14
	Debating the causes of interwar unemployment	18

## PART II THE LABOUR MARKET UNDER STRAIN

2	<i>Defensive action: unemployment relief and public assistance, 1919–1932</i>	31
	Postwar pressures	34
	The decay of insurance	38
	The rise and fall of the ‘seeking work’ test	43
	The search for solvency	49
	Cleansing the system	51
	Unemployment insurance and the 1931 financial crisis	58
3	<i>Means to an end: insurance, assistance and the categorization of the unemployed, 1932–1939</i>	66
	Transitional payments and the coming of the Unemployment Assistance Board	66
	Free from politics? The UAB in practice, 1935–38	74
	The National Government and the Insurance Fund	81
	Appendices	84

viii *Contents*

4	<i>In and out of the labour market: hours of work, pensions and the school-leaving age</i>	88
	Short-time working	88
	Employment and the 'normal working week'	90
	Juvenile labour and the school-leaving age	94
	Retirement pensions	108

PART III THE INTERNATIONAL CONTEXT

5	<i>On and off gold: unemployment, monetary policy and the exchange rate</i>	115
	Golden sacrifice? Unemployment and the sterling parity, 1919–31	115
	A tarnished existence: living with gold, 1925–31	124
	Mixed blessings: the managed pound and persistent unemployment, 1932–38	134
6	<i>Trade, tariffs and the stimulation of exports</i>	140
	The problem of exports	141
	Export competitiveness and the restoration of trade	144
	The rise of protectionist sentiment	149
	The coming of the tariff	168
	Bargaining for trade	172
	Resort to Empire	175
7	<i>Men, money and markets: the 'Empire solution' to unemployment, 1919–1931</i>	179
	Escape from the dole? Emigration and unemployment	179
	Distant hopes: jobs, markets and the development of the Colonies	188

PART IV STRUCTURAL UNEMPLOYMENT, INDUSTRY AND THE REGIONS

8	<i>Industrial revival and reconstruction</i>	203
	The plight of industry	203
	Rationalization: a remedy for success?	209
	Reorientation of policy: government, banks and industrial revitalization in the early 1930s	215
	Intervention in industry in slump and recovery	220
	Rationalization in retrospect	235

9	<i>Uneven development: regional policy, labour transference and industrial diversification</i>	240
	Structural unemployment and the origins of labour transference	241
	The depressed areas and the world slump, 1930–32	246
	Regional policy at last? The origins of the 1934 Special Areas Act	251
	Hope deferred: the Commissioners and the Special Areas, 1934–36	256
	New industries, finance and industrial diversification in the Special Areas, 1936–39	258
	Employment and the regions	265
	'Regional policy' and the unemployment problem: an overview	271
	Appendices	275
PART V MACROECONOMIC POLICY OPTIONS: THEORY AND PRACTICE		
10	<i>Pricing jobs: the real wage debate and interwar unemployment</i>	281
	The neo-classical theory of wages and employment	281
	Unemployment and wages in the 1920s	289
	Keynesian theory, unemployment and wages in the 1930s	293
11	<i>Relief or remedy? The development of public works policy, 1920–1932</i>	299
	Counter-cyclical public works, emergency relief and the Unemployment Grants Committee	299
	The impact of structural unemployment	306
	Non-UGC public works	310
	Employment and public works expenditure	313
12	<i>The limits of intervention: budgetary orthodoxy and the reduction of unemployment in the 1920s</i>	318
	'Unemployment can be conquered': deficit finance, national development and the challenge to orthodoxy	321
	The 'Treasury view' and the fate of the radical alternative	327
13	<i>New Deal or no deal? Fiscal policy and the search for stability, 1930–1939</i>	337
	Unemployment, budgetary policy and the world slump	337

x *Contents*

Defending the 'status quo': fiscal stance and economic recovery, 1933–37	347
A Keynesian conversion? Rearmament, public spending and the reduction of unemployment, 1935–39	357
Power to the centre? Deficit finance, state responsibility and the local authorities	362
Appendix: Could Lloyd George have done it? Reflections on the fiscal policy debate of the 1930s	367
14 <i>Conclusion</i>	380
Bibliography	392
Index	409

# Tables

1	Unemployment percentages derived from trade union and unemployment insurance statistics	<i>page</i> 4
2	Employment and unemployment, 1921–38	5
3	Annual percentage change in selected indicators, 1918–21	8
4	Insured unemployment rate by administrative division, 1923–38	10
5	Percentage of insured workers unemployed, selected industries, 1923–38	13
6	Duration of male unemployment, 1929–38	16
7	Changes in duration of unemployment, June 1932 to February 1938	17
8	Scale of needs in draft regulations submitted to Minister of Labour, 26 October 1934	76
9	Unemployment Assistance Board, weekly allowances to the unemployed	78
10	Reported reduction in unemployment in the Special Areas achieved by regional policy, 1934–38	269
11	Estimated reduction in unemployment in the Special Areas adjusted for ‘wastage’ and income multiplier effects	270
12	Number and estimated cost of schemes approved by the Unemployment Grants Committee	306
13	UGC approved schemes of work	310
14	Possible employment effects of planned public works	316
15	The Liberal Party’s 1929 public works programme	325
16	Effects of the Lloyd George public works programme	368
17	Effects of a £100 million public spending programme	372
18	Effects of a £100 million public spending programme (in 1930)	375

# 1 \* *The nature, causes and dimensions of interwar unemployment*

## AGGREGATE UNEMPLOYMENT BETWEEN THE WARS

Ministry of Labour statistics relating to the working of the unemployment insurance scheme provide the basic source of information about the volume and nature of interwar unemployment. The number of unemployment books issued each July to those persons within the scheme enabled the Ministry from 1911 to calculate the total number of insured persons and to classify them by industry, region and sex. In order to claim benefit, insured persons had to lodge their unemployment books at an Employment Exchange; it was from the number of such books lodged combined with the numbers insured and unemployed that a monthly and yearly unemployment rate was derived. Until 1926, an alternative unemployment percentage was available from the monthly returns of a select group of trade unions which paid out-of-work benefit to their members.

Although the scope and validity of these two sources of unemployment data have been exhaustively discussed elsewhere,<sup>1</sup> a number of cautionary remarks are in order if we are to gain a proper perspective on the interwar period. The trade union returns, available in continuous form since 1888, cannot be regarded as an adequate indicator of unemployment amongst either the total working population, industrial manual workers or even all trade unionists. They related predominantly to skilled men; they were weighted, moreover, on the basis of trade union membership and not in proportion to the actual number of workers within the different industries covered. Nonetheless, though the returns cannot be relied upon as a general measure of unemployment at any particular date, contemporaries regarded them as a sufficiently accurate index of the variations of employment, a barometer of the state of the labour market.

Although the unemployment insurance scheme introduced in 1911 was expanded marginally in 1916 and more generally in 1920, covering by

<sup>1</sup> W. R. Garside, *The Measurement of Unemployment. Methods and Sources in Great Britain, 1850-1979* (Oxford, 1980).



#### 4 Introduction

Table 1. *Unemployment percentages derived from trade union and unemployment insurance statistics*

	Trade union	Unemployment insurance <sup>a</sup>
1913	2.1	3.6
1914	3.3	4.2
1915	1.1	1.2
1916	0.4	0.6
1917	0.7	0.7
1918	0.8	0.8
1919	2.4	na <sup>b</sup>
1920	2.4	3.9
1921	14.8	16.9
1922	15.2	14.3
1923	11.3	11.7
1924	8.1	10.3
1925	10.5	11.3
1926	12.2	12.5

<sup>a</sup>On a UK basis. Although our textual discussion relates to Great Britain only, UK figures are used to enable comparisons to be made with statistical material reproduced elsewhere in the chapter.

<sup>b</sup>No figures were available between December 1918 and October 1919 when the Out-of-Work Donation Scheme was in force. For details see chapter 2.

Sources: W. H. Beveridge, *Unemployment. A Problem of Industry* (1930), 424; Department of Employment, *British Labour Statistics. Historical Abstract 1886–1968* HMSO (1971), table 160.

then the majority of manual workers over the age of 16 and non-manual people earning less than £250 per year,<sup>2</sup> it was not sufficiently comprehensive to provide a totally reliable count of the volume or rate of unemployment. Excluded from the scheme were those occupied in agriculture, forestry, horticulture and private domestic service, along with teachers, nurses, the police, established civil servants, certain excepted classes employed by local authorities, and those in railways and the military service. Insurance statistics never embraced the total number of those 'gainfully occupied'; at the 1931 Census there were nearly 19.5 million people within the insurance age limits that were counted as gainfully occupied, of whom only 12.5 million were insured against unemployment.

Since wage earners were more susceptible to unemployment than salary earners or the self-employed, Ministry of Labour sources tended to overstate unemployment rates among the occupied population as a whole. Recogniz-

<sup>2</sup> Details of these changes are provided below in chapter 2.

Table 2. *Employment and unemployment, 1921–38*

	Employees at Work	Unemployment		Percentage unemployed	
		Insured persons aged 16–64	Total workers <sup>a</sup>	Insured unemployed as a pro- portion of insured employees	Total unemployed as a pro- portion of total employees
	('000s)	('000s)	('000s)	%	%
1921	15,879	1,840	2,212	17.0	12.2
1922	15,847	1,588	1,909	14.3	10.8
1923	16,068	1,304	1,567	11.7	8.9
1924	16,332	1,168	1,404	10.3	7.9
1925	16,531	1,297	1,559	11.3	8.6
1926	16,529	1,463	1,759	12.5	9.6
1927	17,060	1,142	1,373	9.7	7.4
1928	17,123	1,278	1,536	10.8	8.2
1929	17,392	1,250	1,503	10.4	8.0
1930	17,016	1,979	2,379	16.1	12.3
1931	16,554	2,705	3,252	21.3	16.4
1932	16,644	2,828	3,400	22.1	17.0
1933	17,018	2,567	3,087	19.9	15.4
1934	17,550	2,170	2,609	16.7	12.9
1935	17,890	2,027	2,437	15.5	12.0
1936	18,513	1,749	2,100	13.1	10.2
1937	19,196	1,482	1,776	10.8	8.5
1938	19,243	1,800	2,164	12.9	10.1

Note: <sup>a</sup>Insured persons plus those under 16 and over 64 and agricultural workers, private indoor domestic servants, and non-manual workers earning more than £250 per year.

Source: Adapted from C. H. Feinstein, *Statistical Tables of National Income, Expenditure and Output of the U.K. 1855–1965* (Cambridge, 1972), table 58.

ing this deficiency, Feinstein adjusted the UK insurance figures for the period 1921–38 on the strength of estimates derived from the 1931 Census of unemployment amongst groups of people otherwise excluded from the insurance scheme. Table 1 compares the measures of unemployment derived from the trade union and unemployment insurance returns during the period when they overlapped; table 2, following Feinstein, details the movement of the aggregate unemployment rate on an insured and on a working population basis.

## 6 Introduction

These differing measures of interwar unemployment have tempted some writers to suggest that interwar unemployment was a far less serious problem than is customarily believed. Booth and Glynn, for example, argue thus:

Bearing in mind the impact of the peaks in cyclical unemployment in 1921–22 and 1931–33, the highly regionalised nature of unemployment before and particularly after 1914, the better recording and regularisation of work, one could suggest that the national unemployment rates for *most* of the period while very different in pattern, were not very much worse than the national average rates which prevailed before 1914 with, of course, the major exception of the years 1921–22 and 1931–33.<sup>3</sup> [*Italics in original*]

This conclusion was based largely on Feinstein's downward adjustment of the insurance data which reduces the average unemployment rate for the period 1921 to 1938 from 14.2 to 10.8 per cent. If we exclude the two 'exceptional' periods of 1921–22 and 1931–33, the percentages fall from 12.6 on the insurance figures to 9.6 on Feinstein's calculations.

It is by no means certain, however, that Feinstein's extrapolation of unemployment amongst uninsured groups in the 1931 Census produces an entirely reliable result. It was based on a year of severe cyclical unemployment and upon an assumption, difficult to verify, that the relative difference between unemployment rates for certain groups excluded from the insurance scheme remained stable over a number of years. Feinstein's figures may underestimate the average level of unemployment because changes in regulations regarding the receipt of unemployment benefit in 1931 rendered the proportion of the insured unemployed relative to the uninsured to an abnormally high level for a brief period during the Census.

Nor is it entirely valid to compare post-war unemployment returns with pre-war trade union data. As we have noted already, the latter source is generally regarded as a fair barometer of variations in employment over time, but not as an absolute measure of total unemployment in a particular year. During the period 1913 to 1926 when the trade union and unemployment insurance returns overlapped, there were times when the trade union percentage was higher and times when it was lower than the insurance percentage. The differences were most noticeable during the 1920s, perhaps because of the influence of the insurance scheme upon the benefit paying procedures of the trade unions.<sup>4</sup> When the trade union percentages are adjusted according to the number of workers employed in the covered trades instead of in proportion to the actual membership of the

<sup>3</sup> A. Booth and S. Glynn, 'Unemployment in the Interwar Period: A Multiple Problem', *Journal of Contemporary History*, 10 (1975), 614.

<sup>4</sup> For further discussion see Garside, *Measurement of Unemployment*, chapter 1.

representative unions, the disparity between the two series is significantly reduced.<sup>5</sup>

This fact, claim Benjamin and Kochin, encouraged Beveridge in a second edition of *Unemployment. A Problem of Industry* (1930, pp. 328–37), to recant the scepticism he had earlier expressed in 1909 over the precision of pre-1914 unemployment data and their usefulness for determining the comparative volume of interwar unemployment. ‘Thus’, they write, ‘the primary sources agree that the pre-war and interwar unemployment series are comparable.’<sup>6</sup> Unfortunately the authors quote the correct pages of the wrong book and arrive at precisely the opposite conclusion to that of Beveridge himself. The equivalent pages of *Full Employment in a Free Society* (1944) detail Beveridge’s misgivings over the intrinsic comparability of the two unemployment series. The bases of the trade union and unemployment insurance returns were different from one another and changed over time. Strict comparisons of the two would have to take into account the changing industrial base of the trade union data, the extent to which they generally excluded unorganized workers, the degree of underemployment resulting from short-time working, the altogether more complete statistical coverage of the postwar series, and the complex interplay of legislative and administrative factors which influenced the internal consistency of the interwar returns. Beveridge’s own re-evaluation of the statistics, taking on board such considerations, led him to conclude that ‘between the wars unemployment was between two and three times as severe as before the First World War’.<sup>7</sup>

#### THE PATTERN AND INCIDENCE OF INTERWAR UNEMPLOYMENT

Even if all the necessary data were available, which they are not, it is highly unlikely that any reconstructed pre-war and post-war unemployment series would belie the fact that the rate of unemployment between the wars was substantially greater than before 1914. Although we must concede that official statistics of interwar unemployment were neither complete nor unambiguous, it remains true that economic conditions were serious enough to dominate the adjustments which contemporaries and others since have made to account for changes in coverage and eligibility. As such the data reveal a volume of unemployment that never fell below one million and which peaked in 1932 at around three million.

<sup>5</sup> J. Hilton, ‘Statistics of Unemployment Derived from the Working of the Unemployment Insurance Acts’, *Journal of the Royal Statistical Society*, 86 (1923), 154–93.

<sup>6</sup> D. K. Benjamin and L. A. Kochin, ‘Unemployment and Unemployment Benefits in Twentieth-Century Britain: A Reply to Our Critics’, *Journal of Political Economy*, 90 (1982), 423. <sup>7</sup> W. H. Beveridge, *Full Employment in a Free Society* (1944), 328–37.

Table 3. *Annual percentage change in selected indicators, 1918–21*

	Industrial production	Consumers' expenditure	Wholesale prices
1918–19	+10.2	+20.9	+10.6
1919–20	+11.1	– 0.8	+24.4
1920–21	–18.6	– 5.4	–35.8

Source: Adapted from D. H. Aldcroft, *The Inter-War Economy: Britain 1919–1939* (1970), 32.

At the end of the First World War the combination of pent-up consumer demand, high money incomes, a large volume of liquid or near-liquid assets and a backlog of investment fuelled a boom in economic activity which lasted roughly one year, from March 1919 to April 1920. Though real enough, the boom was highly inflationary and essentially unstable, marked by intense speculative buying in commodities and securities and extensions of bank credit for industrial and other purposes. By the beginning of 1920 consumers' expenditure began to fall in the face of higher prices; many firms were already heavily in debt whilst the banks, saddled with large credit commitments to industry, were steadily becoming illiquid. With business confidence on the wane, the boom was destined to collapse. The turning point came in spring 1920. Production reacted swiftly to the squeeze in consumption and the decline in exports which occurred in the latter half of the year. A sudden rise in Bank Rate to 7 per cent in April 1920, coupled with systematic cuts in public expenditure, aggravated the downturn and by the middle of 1921 Britain was in the midst of one of the worst depressions in its recent history.<sup>8</sup> The sudden reversal of economic conditions is detailed in table 3.

It was the slump of 1920–21 which inaugurated mass unemployment. Paucity of data makes it difficult to be very precise about the extent of the deterioration in employment conditions, but at no time during the demobilization period down to April 1920 did unemployment emerge on anything like the scale that was about to develop. Provision had to be made for the emergency payments of Out-of-Work Donation to those civilians and ex-servicemen unable for a variety of reasons to make a legitimate claim to insurance benefit whilst looking for work. Fluctuations in the numbers receiving such payments did not accurately reflect fluctuations in unemployment, however, partly because of exhaustions of the right to benefit and

<sup>8</sup> D. H. Aldcroft, *The Inter-War Economy: Britain 1919–1939* (1970), 31–7.

partly because of claims by married women who did not intend to resume paid work in industry. According to trade union returns, employment improved from the time Out-of-Work Donation ceased for civilian workers in October 1919 down to April 1920 (and to June 1920 on insurance statistics) but declined thereafter for at least a year, the decline gathering momentum.

The pattern of interwar unemployment indicated in table 2 above is well known. Chronic disequilibrium in the labour market during late 1920 and early 1921 was further intensified by the 1921 coal dispute. Although a gradual improvement in registered unemployment occurred during 1922, the unemployment rate by the end of the year was significantly greater than any pre-war standard and in excess of what could reasonably be accounted for merely by deficiencies in the statistical count. An historically high rate of unemployment continued throughout the rest of the decade, giving way to substantially worse conditions in the early thirties as a result of the international recession of 1929–32. The slump was followed by a period of steady recovery for the remainder of the decade, interrupted by a downturn in 1937–38 only to be accelerated under the impact of rearmament expenditure.

Revealing though these general trends are, they disguise the extent to which cyclical fluctuations were imposed upon structural rigidities within the economy and as such provide little indication of the decline in economic fortunes at sub-aggregate level. Since subsequent chapters assess the impact of unemployment within particular industries, regions and demographic groups it is only necessary at this stage to provide an overview of the principal issues so far as the incidence of unemployment is concerned. Marked disparities occurred between the wars in the industrial and regional dispersions of unemployment, the largest concentrations occurring in the basic staple export trades and within the areas in which such industries predominated. Beyond that, the incidence of unemployment varied across subpopulations both in terms of which people were most at risk of becoming unemployed and for how long they would remain so. The spatial distribution of interwar unemployment can be gauged from table 4.

What emerges clearly from table 4 is that from the early twenties London, the south east, the south west and the midlands experienced unemployment rates below the national average, whilst the remaining regions, situated in what contemporaries came to describe as 'Outer Britain', bore the heaviest burden of registered unemployment, and to considerably more than a marginal degree. In southern Britain (London, the south east and the south west) the percentage of insured unemployment stood at 6.4 in 1929 before the depression, rose to 14.9 in 1932, and fell to 7.9 in 1936. In the north east, north west and Wales, the aggregate

Table 4. *Insured unemployment rate by administrative division, 1923-38*

	London	South east	South west	Midlands	North east	North west	Scotland	Wales
1923	10.1	9.2	10.6	10.7	12.2	14.5	14.3	6.4
1924	9.0	7.5	9.1	9.0	10.9	12.9	12.4	8.6
1925	7.8	5.9	8.5	9.1	15.0	11.4	15.2	16.5
1926	6.9	5.4	8.4	11.0	17.2	14.7	16.4	18.0
1927	5.8	5.0	7.2	8.4	13.7	10.7	10.6	19.5
1928	5.6	5.4	8.1	9.9	15.1	12.4	11.7	23.0
1929	5.6	5.6	8.1	9.3	13.7	13.3	12.1	19.3
1930	8.1	8.0	10.4	14.7	20.2	23.8	18.5	25.9
1931	12.2	12.0	14.5	20.3	27.4	28.2	26.6	32.4
1932	13.5	14.3	17.1	20.1	28.5	25.8	27.7	36.5
1933	11.8	11.5	15.7	17.4	26.0	23.5	26.1	34.6
1934 <sup>a</sup>	9.2	8.7	13.1	12.9	22.1	20.8	23.1	32.3
1935 <sup>a</sup>	8.5	8.1	11.6	11.2	20.7	19.7	21.3	31.2
1936 <sup>a</sup>	7.2	7.3	9.4	9.2	16.8	17.1	18.7	29.4
1937 <sup>a</sup>	6.4	6.7	7.8	7.3	11.1	14.0(17.9) <sup>b</sup>	16.0	23.3
1938 <sup>a</sup>	8.0	8.0	8.2	10.3	13.6	17.9(18.4) <sup>b</sup>	16.4	24.8

<sup>a</sup> The figures exclude juveniles under the age of 16 and persons insured under the Agricultural Scheme, who first became insurable in September 1934 and May 1936 respectively.

<sup>b</sup> Figures for the new Northern Division created on 1 August 1936. This consisted of Northumberland (except Berwick district), Durham and the Cleveland district of Yorkshire (previously part of the North-Eastern Division) and Cumberland and Westmorland (previously parts of the North-Western Division). Details of the areas contained in all Administrative Divisions can be found in Department of Employment, *British Labour Statistics. Historical Abstract*, HMSO (1971), Appendix E.

Source: *Ministry of Labour Gazette*.

rate started at 15.4 per cent in 1929, rose to 30.2 per cent in 1932 but had fallen to only 21.1 per cent by 1936. This widening gap between high unemployment in the north and relatively low unemployment in the south was the result of a complex combination of factors, amongst which were the risks and costs of long-distance migration from the depressed areas in search of work and, more importantly, secular decline in the staple export trades in the face of surplus capacity and intense foreign competition. Regional unemployment disparities were conventionally regarded simply as a reflection of the concentration of declining industries in the north, but this does not entirely account for the observed differences since spatial differentials remain even after the variable mix of industries is controlled for.<sup>9</sup> Industries which were otherwise generally prosperous, for example, tended to suffer heavier unemployment if they were located in regions already containing declining staple trades; such regions, moreover, suffered stagnation in their whole economies via a downward regional multiplier process.

Within the industrial sector, those basic trades upon which much of Britain's nineteenth-century progress had depended, namely coal, cotton, wool textiles, shipbuilding and iron and steel, suffered both a substantial loss of labour and unemployment rates above the general average, despite rising output and productivity. These five industries (together with mechanical engineering) accounted for around one-half of total insured unemployment in June 1929. By 1932 almost half the workers in iron and steel were registered as unemployed, as were nearly two-thirds in shipbuilding and a third in coalmining.

Some industries experienced relatively high levels of unemployment whilst still growing, their expansion creating extra employment but not at a rate fast enough to engage the high proportion of additional workers attracted to them (building is an example), whilst others saw output, employment or both decline but not at a rate which rendered them amongst the more depressed sectors of the economy (e.g. clothing, leather, precision instruments, pottery, tinsplate manufacture and minor textile trades such as jute, linen and hemp). It was secular decline in the industries suffering both a collapse in markets and a stagnating or slow growing home demand that gave rise to so much contemporary concern, not least because of their marked geographical concentration. Although considerable doubts remain about the role of 'new' industries in the overall performance of the interwar economy, their lower dependence on the volatile world market and their exploitation of new techniques and methods of production produced an

<sup>9</sup> T. J. Hatton, 'Structural Aspects of Unemployment in Britain Between the Wars', in *Research in Economic History*, Vol. 10, ed. P. Uselding (Connecticut, 1986), 55-92.



expansion of output and a lower rate of unemployment that served only to emphasise the scale of decline in the less favoured sectors, as table 5 illustrates.

Recorded unemployment rates tell us something about the composition of interwar unemployment, though space does not permit a detailed analysis of the disaggregated data.<sup>10</sup> The incidence of unemployment throughout the interwar period was generally higher for men than for women and for older workers and youths between the ages of 21 and 25. Insurance statistics show that the male unemployment rate was typically 50 per cent higher than that for women and was particularly acute amongst male unskilled manual workers. The fact that the more comprehensive Census returns display a similar relationship between the unemployment rate for the two sexes indicates that the differential went beyond mere underreporting of unemployment amongst women.<sup>11</sup> Women generally had a lower rate of labour participation (retirement on marriage obviously playing a part) and when they worked they tended to be occupied in industries with traditionally low unemployment rates (cotton being a notable exception). After job separation women were more likely to leave the unemployment register than continue to search for work. Amongst adult males, those between the ages of 30 and 39 appeared to suffer the lowest risk of unemployment throughout the 1920s and 1930s, whilst the old remained especially vulnerable. Unemployment rates rose with age, not because older men faced a greater risk of losing their job so much as the fact that they found it more difficult to obtain fresh employment once out of work.<sup>12</sup> This higher risk of prolonged unemployment with age was common across all regions, though more intensified in the depressed areas.

Juvenile workers under the age of 18, and especially under the age of 16, suffered more temporary, short-period unemployment. The full extent of juvenile unemployment was difficult to discern before 1934 because of systematic underenumeration, but its national rate was low compared to that of adults. Nonetheless declining apprenticeship, the continued existence of 'blind alley' occupations offering little in the way of training or security, the preference of employers for cheap labour, and a periodic oversupply of juvenile labour reduced the chances of many youngsters ever obtaining regular or worthwhile employment. Direct comparisons of juvenile and adult unemployment rates, moreover, reveal only part of the

<sup>10</sup> For a contemporary survey of the data see W. H. Beveridge, 'An Analysis of Unemployment', *Economica*, 3 (1936), 357-86; 'An Analysis of Unemployment II', *Economica*, 4 (1937), 1-17; 'An Analysis of Unemployment III', *Economica*, 4 (1937), 168-83.

<sup>11</sup> B. Eichengreen and T. J. Hatton, 'Interwar Unemployment in International Perspective: An Overview', in *Interwar Unemployment in International Perspective*, ed. B. Eichengreen and T. J. Hatton (Dordrecht, 1988), 31.

<sup>12</sup> Beveridge, 'An Analysis of Unemployment II', 13-15.

Table 5. *Percentage of insured workers unemployed, selected industries 1923-38<sup>a</sup>*

	1923 <sup>b</sup>	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<i>Old staples</i>																
Coalmining	3.0	5.8	11.5	9.5	19.0	23.6	19.0	20.6	28.4	34.5	33.5	29.7	27.2	22.8	16.1	16.7
Shipbuilding	43.6	30.3	33.5	39.5	29.7	24.5	25.3	27.6	51.9	62.0	61.7	51.2	44.4	33.3	24.4	21.4
Cotton	21.6	15.9	8.8	18.3	15.4	12.5	12.9	32.4	43.2	30.6	25.1	23.7	22.3	16.7	10.9	23.9
Wool textiles	9.5	8.4	16.9	17.4	11.0	12.0	15.5	23.3	33.8	22.4	17.0	17.8	15.5	10.3	8.8	21.3
Iron and steel	21.2	22.0	25.0	40.4	19.4	22.4	20.1	28.2	45.5	47.9	41.5	27.3	23.5	17.4	11.4	19.5
<i>'New' industries</i>																
Chemicals	11.8	9.9	9.1	10.9	7.2	6.1	6.5	10.0	17.6	17.3	15.2	11.3	11.0	9.2	6.8	7.4
Cars and aircraft	9.7	8.9	7.1	8.2	8.1	8.1	7.1	12.1	19.3	22.4	17.6	10.8	9.0	6.9	5.0	7.2
Gas, water and electricity	7.2	6.3	6.2	6.0	5.4	5.8	6.1	7.0	8.9	10.9	11.0	10.1	10.4	9.7	8.3	8.3
Electrical engineering	7.3	5.5	5.6	7.5	5.9	4.8	4.6	6.6	14.1	16.8	16.5	9.6	7.0	4.8	3.1	4.7

<sup>a</sup> Averages of the percentages in January and July each year, excluding workers under 16 and persons insured under the Agricultural Scheme who became insured in September 1934 and May 1936 respectively. All figures on a UK basis.

<sup>b</sup> Figures are for July only.

Source: Adapted from Department of Employment, *British Labour Statistics. Historical Abstract*, HMSO (1971), table 164.

story since there were substantial regional disparities in the number of younger people out of work. Nor is it too fanciful to suggest that the sequence of unskilled, short-duration positions experienced by many young workers during an impressionable stage in their life may have weakened their capacity to secure and retain employment during early adulthood.<sup>13</sup>

Unemployment was clearly related to a variety of factors including labour market conditions, individual characteristics, demographic changes and household status. There has been little multivariate analysis of the correlates of unemployment between the wars. Eichengreen's study of household data in London is a notable exception;<sup>14</sup> its results, albeit derived from an unrepresentative area, confirm the impression gained from the wider range of official statistics and sample survey data presently available,<sup>15</sup> namely that unemployment fell typically upon adult males 'with low wages and few sources of income beyond their own wages and unemployment benefits, who rented their homes and who had large families'.<sup>16</sup>

#### THE DYNAMICS OF THE LABOUR MARKET: TURNOVER AND UNEMPLOYMENT DURATION

It would be extremely misleading to characterize interwar unemployment as a stagnant pool of jobless individuals simply awaiting an improvement in macroeconomic conditions.<sup>17</sup> To do so would be to presume that over time there was a constant flow into unemployment of a group of people whose individual characteristics played little or no part in influencing their chances of leaving the unemployment register for work or retirement. But the official count of the unemployed was in essence a 'snapshot'; an annual unemployment rate of 10 per cent was compatible with a condition in which all workers were out of work for 10 per cent of the year, or where 10 per cent of the labour force was out of work for the entire year, or anything between these extremes. Such data tell us little about the *process* (as distinct from the *state*) of unemployment. The registered unemployed were not an homogeneous group. Neither the risks of becoming unemployed nor the chances of leaving the unemployment register were shared equally by

<sup>13</sup> These issues are taken up in greater detail in chapter 4.

<sup>14</sup> B. Eichengreen, 'Unemployment in Interwar Britain: New Evidence from London', *Journal of Interdisciplinary History*, 17 (1986), 335–58.

<sup>15</sup> For commentary upon interwar sample surveys of the unemployed see Garside, *Measurement of Unemployment*, chapter 4.

<sup>16</sup> Eichengreen and Hatton, 'Interwar Unemployment', 35. For contemporary analyses see E. Bakke, *The Unemployed Man* (New Haven, 1933) and Pilgrim Trust, *Men Without Work* (Cambridge, 1938).

<sup>17</sup> This section draws upon M. Thomas, 'Labour Market Structure and the Nature of Unemployment in Interwar Britain', in *Interwar Unemployment in International Perspective*, ed. Eichengreen and Hatton, 97–148.