

REVIEWS

Sinfield, A. *What unemployment means* Oxford, Martin Robertson, 1981, pp.167, Price: \$9.20.

Professor Sinfield states in his Preface that, "the apparently wide general acquiescence in higher unemployment (in the UK) provided the stimulus to write this book". At that time (August 1980), there were 2 million registered unemployed in the United Kingdom. Two years later, the official UK figures show a staggering 3.34 million people unemployed — more than the total population of New Zealand. The sheer scale of unemployment in the UK may lead New Zealanders to believe that the British situation bears little resemblance to ours here, yet Professor Sinfield's discussion of what unemployment *means* is highly relevant to the New Zealand scene. He is interested in what unemployment means, in a subjective sense, to those affected by it, and what unemployment means or *signifies* for the whole of society.

The author registers his dissent from what is coming to be the prevailing wisdom — that the days of full employment are gone forever. One senses that we may be reaching this point in New Zealand, where full employment was taken for granted until the mid — 1970's. In the past five years, there has been a spectacular rise in the national unemployment rate here, despite New Zealand still being better off in this respect than many other OECD countries. One of the key contentions of this book is that the "meaning" of unemployment is relative to a society's expectations. Thus, an increase in New Zealand's national unemployment rate from less than 1 percent in 1977 to 4 percent in 1982 means a great deal in terms of changes in society as well as to the individuals concerned.

What is the significance of increased unemployment — both for those who are directly affected and the whole society? What are the short-term and long-term costs; how equally are these distributed across the social structure; and how far are they compensated for or borne privately by the individual and family? What are the implications for the achievement of other social goals? How does increased unemployment affect the lives of those who remain in work? These are the questions which the author raises and attempts to answer in this book.

The first chapter centres on the statistics of unemployment in the UK, but also questions some common mythologies about the extent and nature of unemployment. For instance, the author notes that there is still much support for the view that there are plenty of jobs available for those who look hard enough. This belief is widespread despite official statistics which consistently indicate the contrary.

The unequal distribution of unemployment across social groups is pinpointed: low-paid and unskilled workers, the young and the old, ethnic minorities and the disabled bear the brunt of unemployment. (It seems that women in general are not over-represented among the unemployed in the UK). Sinfield argues that the concentration of unemployment among the poorest and least powerful in society is extremely important for an understanding of the direct impact and social consequences of unemployment. This is every bit as true for New Zealand, where recent research has shown that unemployment is *more* inequitably distributed among certain groups (women, the young, Polynesians and the unskilled) than in comparable overseas countries. Sinfield notes that the comparative immunity to unemployment of the better-off may explain the relatively low level of concern about the dramatic increases in unemployment rates over the past few years.

Chapter two looks at the experience of unemployment in the UK in the 1960's and

1970's, and raises some interesting questions about the adequacy of conventionally accepted research into the impact of unemployment on the individual. The author notes that research has been almost solely concerned with male unemployment, and that practically nothing is known about the impact of unemployment on married women. Later in this chapter, he traces the close connections between unemployment and family poverty. In the UK, as in New Zealand, it is widely believed that Social Security Benefits are so generous that being unemployed today does not lead to the hardship that it did in the 1930's. There is sufficient weight of evidence – in both official and independent research findings – to explode this particular myth. Like the meaning and significance of unemployment, poverty is also relative to societal expectations and standards. Again, the social distance between the "haves" and "have-nots" tends to lessen recognition of the urgent need for action.

Mass redundancies, the "disposable" older worker, the young, female and long-term unemployed are discussed in depth in chapter three. As previously, the author highlights questions which are as pertinent in New Zealand as in the UK. Here, mass redundancies are a recent phenomenon, and their economic and social consequences little known. Sinfield examines the myth of the "three-month millionaire" (the redundant worker) and argues that the impact of redundancy may also fall heavily on those already out of work, pushing the longer-term unemployed even further back in the queue for jobs. The economic depression in the UK has wreaked havoc on the industrial workforce, and the older male worker has been particularly vulnerable to redundancy and long-term unemployment (sometimes euphemistically called "early retirement"). In sharp contrast with the New Zealand situation where married women are exhorted to give their jobs for the young unemployed, in Britain the cry has been for older men to retire and give young people a chance to work.

Prolonged unemployment has been a more persistent problem in Britain than in many other countries, according to Sinfield, and the long-term unemployed are among the very poorest groups. The author demonstrates how the scale of unemployment is disguised by official statistics. For example, six months used to be the generally accepted cut-off point for long-term unemployment but the Department of Employment now takes one year out of work as its measure. (Note that in New Zealand, three months' duration is considered to be long-term unemployed.) Through this and other means, the scale of the problem is re-defined and thus diminished. As unemployment becomes more intractable, the political struggle over the statistics of unemployment intensifies.

The parlous state of services for the unemployed – the employment service and the social security system – is described in chapter four. In the following chapter, Sinfield explores the wider impact of unemployment on a society. He argues that many aspects of social progress are founded on full employment and a regression takes place in times of high unemployment. An early casualty is likely to be policies of equal opportunity in employment for women, ethnic minorities and the disabled.

Chapter six takes a look at the possible effects of micro-chip technology on the UK economy. The final chapter, 'Work for all', is an impassioned review of the urgent problems and themes stated throughout the book. Policies of full employment have been abandoned by a succession of governments in the past decade or more, and British society has consequently become more inequitable. Sinfield identifies the growing gap between the securely employed and the unemployed as the basis of widespread complacency in the face of the unemployment crisis.

It couldn't happen here – or could it? This thought-provoking book is highly relevant to New Zealand at a time when the goal of full employment – the keystone of social progress – may be brought into question.

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Shipley, Susan M. *Women's employment and unemployment: a research report* Palmerston North, Department of Sociology, Massey University and the Society for Research on Women in New Zealand Inc., 1982, pp.209 and appendix. Price: \$5.00 approximately.

This research report is a model for its kind, well structured, informative and thoughtful. The aims of the research were to describe the extent, nature and social effects of unemployment among women in Palmerston North city and its central theme was a study of the interrelationship of women's paid work and their domestic roles.

The first part of the research took the form of a random sample survey of 750 households in which *all* persons 15 years and over were interviewed about their labour force participation in the 1 – 4 weeks before the interview. This meant that it was possible to compare the labour force participation of women and men on a number of variables. An important finding was the extent and nature of part-time work, especially important among women with dependent children. In the child bearing and child rearing age groups the total participation of females was above 70 percent when part- and full-time work were considered together. Shipley was also able to show that the belief that women drop out of the work force to bear and rear children and then return when their children no longer need them so much, is largely untrue. Only among mothers with a youngest child ages less than one year old is there a majority of full time housewives. This bears out the findings of Hadfield in her study of child care in Newtown (1981). The census, as it is presently organized, is insensitive to the nature of women's employment. Because of their responsibilities as mothers constraints are placed upon them in relation to the hours they are able to work (length *and* time of day or week), the place of work (few indeed have the use of a car) and the nature of the job itself (women are much more likely to be secondary sector employees than men).

The nub of the study is the finding that the unemployment rate for all persons in the full time labour force was 4.0 percent in Palmerston North in June 1981. For females in the full-time Labour force it was 5.3 percent and for males 3.4 percent. (The Department of Labour's figure for *registered* unemployment in Palmerston North was 3.2 percent in June 1981). When the figures are adjusted to include "disguised" unemployment (e.g. school pupils seeking full time work and those who have become discouraged from the futility of their job search) the unemployment rates for the full-time labour force were 8.5 percent females and 4.3 percent for males. For part-time workers (80 percent of whom are females) the figure is five times as high.

Past knowledge of unemployment has focused only on those currently registered as unemployed. The significance of this report is that it extends its interest and data collection into new categories: the employed, including the underemployed and part-time workers; the unemployed – those registered and unrecorded; and finally those not in the labour force but who would like a job though not actively seeking one – the discouraged job seekers.

From the labour force survey a sub-sample of 54 women was taken for follow-up, in-depth interviews of women wanting work. The purpose of this second part of the research was to discover more "about the work-related characteristics and experiences of the women and to explore the effects of unemployment on the women themselves and on their families". (p. 140)

Material was gathered on these women's work histories as well as their current domestic circumstances, housework and child care responsibilities and their search for work and the effects of unemployment on themselves and their families. The general and overwhelming pattern that emerges is of a process that takes young women into the secondary sector of unskilled, non-career, insecure low paid and often part time jobs. As adult women, the traditional female responsibilities for family and domestic duties held them in the secondary sector.

The information gathered suggests that single, childless women are particularly demoralized by not having a job, unsuccessful job searches and lack of money. Married and solo women wanted paid work primarily for financial reasons but also for personal independence, to overcome boredom and for personal fulfilment. Financial deprivation, Shipley reports, is the single most important effect of the lack of paid work on all the sub-groups of women. This deprivation is considerably heightened for one quarter of the women who were living in households in which at least one other person was also wanting paid employment. Family poverty in these households is certainly indicated.

This in-depth description and analysis of women's unemployment is the first of its kind in New Zealand. It provides significant and useful information and analysis, with clarity and thoroughness. The verbatim reporting in well structured sections enriches the analysis. However, the underlying theme of the study: the inter-relationship of women's paid work and their domestic roles – is not fully teased out. While describing the process by which women become secondary sector workers there are still many questions that need to be addressed. How do women themselves see the inter-relatedness of their paid and unpaid work, what are the advantages and disadvantages of the structure of secondary sector jobs, what meanings do which women give to paid work? These and other questions await more qualitative research.

Overall this report is to be commended as a special contribution to New Zealand knowledge about women's employment and unemployment. The labour movement and community groups have been calling for the Government to carry out regular labour force surveys. Shipley provides a model, all that is needed now is the commitment and the political will.

The report is available from the Society for Research on Women, P.O. Box 13078 Johnsonville or from Massey University, Department of Sociology.

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Reference

Hadfield, C. (1981) *Child care in Newtown: a study of working mothers and their families* Wellington. Victoria University Occasional Papers, Sociology & Social Work, No. 3.

Stricker, Peter and Peter Sheenan *Hidden unemployment – the Australian experience* University of Melbourne, Institute of Applied Economic and Social Research, 1981, pp. xv and 234. Price: \$8.95.

With the rapid deterioration of labour market conditions in the 1970's in most Western economies came the need for a re-assessment of traditional unemployment measures. The now classic study by Bowen and Finegan, (1969) showed that labour supply varies cyclically. When labour demand is low, unemployed persons may become discouraged and cease their search for a job. Hence they will voluntarily leave the labour force, which is generally defined as the number of persons employed or actively seeking work. These discouraged workers are *hidden* unemployed, because they will re-enter the labour force when jobs are created during an economic recovery and either become a member of the pool of recorded unemployed or fill a vacancy. Thus the existence of hidden unemployment has a dampening effect on changes in the recorded unemployment rate: reducing the growth of this rate in an economic downturn and preventing its decline during a recovery. In other words, when observers rely on time series of recorded unemployment rates they may misinterpret the changes that take place in the labour market. The objective of Stricker and Sheenan in this book is to highlight the deficiency of official unemployment figures in Australia in the 1970's.

The book, the first in a series entitled *Issues in contemporary Australian society*, published by the Institute of Applied Economic and Social Research, is a careful quantitative

analysis of the incidence of hidden unemployment in Australia. The first chapter gives the major conclusions with respect to the size and composition of hidden unemployment and provides also some policy implications. Much of the other nine chapters is devoted to an extensive discussion of how the estimates of hidden unemployment have been derived. The techniques used are generally descriptive, for example, an analysis of deviations of participation rates from their trends or a cohort analysis for certain demographic groups. The principal data sources used are the Australian Bureau of Statistics' labour force survey data and data on welfare benefits published by the Department of Social Security.

Stricker and Sheenan define the hidden unemployed as those persons who are not in the labour force but would be if the conditions characteristic of full employment existed. Accordingly they computed that as the labour market deteriorated since 1973, hidden unemployment grew from nil to 340,000 in August 1979 while the recorded number of unemployed at that time was 374,000. Thus, including the hidden unemployed in the labour force almost doubles the unemployment rate from 5.8 percent to 11 percent. In chapter three the authors briefly compare Australia's experience with other countries and conclude that hidden unemployment in Australia is more severe than, for example, in the United States. Stricker and Sheenan did not look at New Zealand data but New Zealand with its relatively low rate of registered unemployment shares Australia's problem of discouraged workers. Recently released results from the social indicator survey carried out by the Department of Statistics suggest that the number of hidden unemployed is as least as large as the number of active job seekers.

Who are the hidden unemployed? Stricker and Sheenan identify four major categories: older males, married women, immigrants from poorer non-English speaking countries and teenagers who returned to school due to bleak prospects of finding a job. Each of these are looked at more closely in separate chapters. In an appendix Michael Carter and Bob Gregory of the Australian National University are given the opportunity to reaffirm the general thesis of the book. They discuss cross-section differences between unemployment and participation rates derived from the 1976 census and show that these two bear an inverse relationship, thus providing evidence for the responsiveness of labour supply to demand and the existence of hidden unemployment.

The book pays little attention to the effect of real wages on labour force participation, although on p.66 it is mentioned that the growth of hidden unemployment of women occurred despite the increase in their real wages over the 1974 - 80 period. The authors spend quite some time explaining the institutional welfare arrangements and the extent of pension usage in Australia. The conclusion is here that there is a large number of males and a smaller number of females who draw a pension because of the post-1973 recession. However, this conclusion is based on regression equations estimated from 10 observations and the reader must interpret the results cautiously.

Summarizing, Peter Stricker and Peter Sheenan made in this empirical study a successful attempt to quantify the labour reserve in Australia. The existence of a large number of hidden unemployed has serious implications. When the economy recovers, hidden unemployment will dampen the response of recorded unemployment but also reduce the prospects the long term unemployed have of obtaining work. The book provides a detailed discussion of size and composition of hidden unemployment. It contains many tables and graphs and in places the discussion of these is rather drawn-out. In fact, non-Australian readers may find the first chapter, which adequately summarizes the book, a sufficient account of hidden unemployment in Australia.

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Reference

Bowen, W.G. and T.A. Finegan (1969) *The economics of labour force participation* Princeton, Princeton University Press.

Creedy, J. (ed) *The economics of unemployment in Britain* London, Butterworths, 1981, pp. xv and 263. Price: not stated.

The academic profession has long been adept at the practice of supply side economics. Their system of production involves creating a product that can then find a market. Ideally the product should generate a publication, money from the sale of the book, and employment opportunities through its being a justification for the introduction of a course which will assist in maintaining student numbers.

This book fills the requirements of the academic product and it does not even attempt to deviate from that purpose or to disguise its true intent. It is quite obvious that the idea for the book originated amongst the staff at Durham university. It follows the general increase in levels of unemployment in various capitalist countries, and has probably been designed in the knowledge that "unemployment" is now a sufficient growth industry to justify the introduction of specialist undergraduate courses on the subject.

The collection of essays in the book have a very conventional focus. There are chapters looking at the micro- and macro-economic aspects of unemployment in a neoclassical tradition and there are further chapters that examine different dimensions of the problem — one on measurement issues, one on unemployment statistics, one on unemployment insurance, one on benefits and incentives and so on. The range of chapters allows the authors to justify the study of unemployment as a distinct area and not as an aspect of labour economics. The chapters are thorough and there are comprehensive reading lists supplied at the back of each chapter.

It is in every respect a text for undergraduate students following conventional university courses. The obvious is translated to suitably impressive jargon whenever the opportunity presents itself, but that, after all, is almost a requirement of pretentious academic economists. There is nothing in this study which locates the problem of unemployment in the wider context of political economy.

The result of this is that the essays do tend to be a rather sterile application of an orthodox academic method. If unemployment — which is highly political in both its origins and outcomes — is "depoliticised" in the interests of academic objectivity, the value of any resulting study to people who do not need to sell books or pass university courses; must be placed in doubt. The summary says that the book is intended for second or third year students but that "policy makers in government and business economists will find it a useful addition to their book shelves". It is a very good basic text for not very adventurous university programmes. Policy makers who buy it for their book shelves would probably leave it there.

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