Understanding workless people and communities: A literature review

Helen Ritchie, Jo Casebourne and Jo Rick

A report of research carried out by the Institute for Employment Studies on behalf of the Department for Work and Pensions
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Acknowledgements

This research was commissioned by the Department for Work and Pensions (DWP). We are grateful to Amanda Langdon and Tim Willis for their management of this research, and for the support of all other staff at DWP for their comments and suggestions about the drafts of the report.

We are also grateful to the project team at the Institute for Employment Studies who played an important role in this research.
The Authors

**Helen Ritchie** is a former Research Officer at IES, in the Unemployment, Disadvantage and Labour Market Research Team. Her research at IES focused on ethnicity, disability, the employment of refugees and welfare-to-work programmes.

**Jo Casebourne** is a Research Fellow at IES, and works in the Unemployment, Disadvantage and Labour Market Research Team. Her research at IES is mainly focused around welfare-to-work programmes, lone parents and disadvantage groups.

**Jo Rick** is Deputy Director of the Institute of Work Psychology’s Research and Consultancy Service at the University of Sheffield, where she manages a programme of research into workplace mental health.
Summary

Introduction

The Working Neighbourhoods Pilot has been operating since April 2004, and will run for a period of two years in 12 selected neighbourhoods across Great Britain. This literature review has been commissioned to provide context to the Working Neighbourhoods Pilot evaluation. It examines existing evidence relating to the psychological and social influences on workless people in deprived areas.

A range of disciplines has been drawn on to build an overview of the impact on, and influences of, worklessness, with a particular focus on Psychology within the context of other disciplines such as sociology, geography and economics. It focuses on UK literature, although other literature is cited where relevant.

The literature review firstly examines how psychosocial models were used to explain the effects that mass unemployment had on individuals. It then explores the concept of worklessness and the barriers faced by key groups of workless people. The review moves on to examine, in turn, how worklessness can be understood at the individual level, the community level, and at the level of geographical concentrations of worklessness.

Psychosocial effects of unemployment

Psychosocial theories regarding the impact of job loss on the individual state that shame, anger, guilt and shock are associated with being made unemployed. After passing through stages of despair or hopelessness at the prospect of finding alternative employment, the most psychologically healthy position in such circumstances is one of adjustment to a situation in which the individual has no control.

Psychosocial theories were developed in particular contexts and can be applied to job loss experienced as a shock, in areas or times of high unemployment, and where employment is the norm. They cannot so readily be used to explain other forms of detachment from the labour market where not being in employment is the norm.
Concept of worklessness

While employment rates have been on an upward trend since 1992, they have not been evenly distributed among the population. There are individuals who are long-term unemployed, despite living in a period of relatively high employment, and a rising number of individuals who are economically inactive and claiming inactive benefits. Geographical pockets of worklessness exist within relatively buoyant labour markets.

Worklessness is defined, for the purposes of this review, as detachment from the formal labour market in particular areas, and among particular groups. Workless individuals include individuals who are unemployed and claiming unemployment benefits, individuals who are economically inactive and eligible for inactive benefits (who may or may not be claiming them), and individuals who are working exclusively in the informal economy (who may or may not be also claiming benefits).

Who are the workless?

There are a range of groups that are disadvantaged in the labour market and that have a higher risk of being workless and living in deprived areas. These include: lone parents, minority ethnic groups, disabled people, carers, older workers, workers in the informal economy, offenders and ex-offenders. Not all individuals within these groups are workless, but being a member of these groups can increase the risk of being workless. Worklessness can be characterised by multiple disadvantage, where people face more than one barrier to participating in the labour market. While some disadvantaged people should not have their chances of working written off as impossible, for others it may be counter-productive to be pushed toward job-seeking before they are ready.

Understanding worklessness at the individual level

It is evident that unemployment impacts negatively on well-being compared to full-time salaried employment, and lowered well-being can then act as a barrier to re-employment. However, there is limited psychology research that directly relates to people who have been out of work for long periods of time (over three years), or who have never worked. There is also an identified gap in understanding the impact of local re-employment prospects on the well-being of workless individuals.

Recent research has suggested that inadequate employment (for example, working part-time involuntarily or for very low pay) may have similar effects on well-being to unemployment. More research is required to understand further the relationship between well-being and work histories characterised by cycles of worklessness and low-paid insecure jobs.

In reality, it may not be rational for individuals to choose to work in the formal economy for a number of (often inter-related) reasons: a lack of opportunities in the
formal labour market; a lack of information about the financial rewards from formal employment (e.g., tax credits); higher financial gains from working in the informal economy than the formal one; and being motivated by things other than just financial gain (e.g., peer group respect or wanting to stay at home to bring up children).

The theory of planned behaviour demonstrates that individuals’ perceptions of their ability to perform tasks are more important in determining how they will behave than their actual ability to perform them. The theory could potentially provide a framework for understanding how personal attitudes, social pressures and control beliefs combine to predict behaviour in workless populations or individuals. The vitamin model offers a useful approach to understanding the psychology of worklessness. It combines community and social factors with personal preference to understand the impact of labour market status on the well-being of the individual.

Understanding worklessness at the community level

Recently there has been discussion about whether there is a ‘culture of worklessness’ in certain communities in the UK. Where cultures of worklessness are said to exist, they are characterised by: lowered incentives to work where peers are also unemployed and the informal economy has a strong pull factor, and a view of joblessness as unproblematic within a context of lowered aspirations, and short-term horizons.

Such accounts, however, are balanced by research that has found no evidence of a culture of worklessness. Similarly, there does not appear to be sufficient evidence to support theories of transmitted deprivation, partly because it is very difficult to unpack the inter-relationship of education, low income, parenting skills and unemployment.

It can be said that cultures of worklessness may exist in some areas, within which worklessness, in some cases, is intergenerational. Individuals not breaking out of the cycle of worklessness experienced by their parents and staying in deprived areas can lead to spatial concentrations of worklessness, as those who do break the cycle and move into employment may also move away from deprived areas.

Geographical concentrations of worklessness

The changing geography of employment has also led to geographical concentrations of worklessness as some areas that experienced de-industrialisation have not benefited from new economic growth. Spatial mismatches have occurred as individuals are unable to access employment located in other parts of their local labour market because childcare responsibilities or a lack of public transport confine the areas in which they can work.
Workless individuals can be restricted to living in deprived areas because of the structure of social housing. They experience compounded disadvantage because of poor reputations of areas, and the fact that their social networks may be made up of other economically inactive people. It is recognised in some literature that in certain areas there are deficiencies in the demand for labour. There are arguments for job creation schemes in those areas, undertaken in conjunction with local people.

Conclusions

This literature review has shown that to fully understand the phenomenon of worklessness, it is necessary to look at individual behaviour in the broader context of the communities and areas in which these individuals live. Approaches that address only one aspect of the problem of worklessness may be undermined by the dynamics of the other issues at play. Certain implications for the direction, content and development of active labour market policy are drawn from the review.

1 In some measure, the causes of persistent worklessness transcend individual psyches and purely personal psychological characteristics. Consequently, policy interventions which are restricted to advice, guidance, confidence-building and motivational encouragement (or indeed to sanction, penalty and retribution) are unlikely to be sufficient to make significant quantitative inroads into workless communities. Policy measures encouraging employment which are restricted to the individual may well be undermined by family or communal pressures, suggesting they should be clustered in ways that affect both individuals and their social network.

2 The persistence of worklessness in the face of labour market buoyancy opportunities suggests that the objective barriers and constraints to taking work are likely to be complex, multifaceted, deep-rooted and individually varied. Consequently, the ready accessibility of a wide range of support measures, each separately tailored to overcome these individual barriers, should be a necessary feature of the policy measures to address worklessness. Support measures should be delivered in a flexible way, appropriate to the circumstances and problems of the individuals.

3 Workless people often have problematic experiences of work. It should be recognised that the impact of labour market interventions may well be magnified when part of a more widespread community regeneration programme. Any intervention needs to include pre-employment preparation, such as the acquisition of sufficient skills to access satisfactory jobs, support in retaining that job, and continuing support and assistance in moving on to a better one. This longer-term investment may be necessary if the unemployment-unsatisfactory employment-unemployment cycle is to be broken.
1 Introduction

This literature review has been commissioned to provide context to the Working Neighbourhood Pilot evaluation. The Pilot, a Department for Work and Pensions initiative, has been operating since April 2004, and will run for a period of two years in 12 selected neighbourhoods across Great Britain. The pilots are in: Aston (Birmingham), Birkenhead (Wirral), Castle (Hastings), Lansbury (Tower Hamlets), Manor (Sheffield), Monkchester (Newcastle), Northwood (Knowsley), Penderry (Swansea), Regent (Great Yarmouth), Thorntree (Middlesbrough), Hutchesonton (Glasgow), and Parkhead (Glasgow). These localities are amongst the most deprived in Britain and have been defined at sub-ward level on the basis of very high levels of worklessness. The pilot marks an experimental approach to offering intensive support to help people gain access to jobs.

The pilots were announced in the 2002 Pre-Budget Report, where concern was expressed about the emergence of cultural expectations of not working in some households. Concentrations of unemployment and inactivity, increasing within inner cities, former coalfields and seaside towns particularly, were feared to be giving rise to communities where worklessness is the norm. At inception, the purpose of the review was to examine evidence relating to psychological and social influences on workless individuals. However, the evident geographical feature of the worklessness, together with the fact that the pilots are area based, meant that spatial factors could not be ignored. In fact, the review argues that the phenomenon cannot fully be understood without a focus on the behaviour of individuals within the broader social and spatial context in which they live.

The review is a synthesis of evidence from literatures with a view to contributing to the evaluation of the Working Neighbourhoods Pilot (including the development of the research tools), as well as to contribute to future policy in this area.

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1 The evaluation team consists of: Institute for Employment Studies (IES), CRESR, Sheffield Hallam University, Policy Research Institute (PRI) and Leeds Metropolitan University.
The review focuses on UK literatures, and refers to literature from the US and Europe where it is relevant to the argument or to the UK situation (see Appendix for the methodology of this review). The review begins by outlining the rise in mass unemployment in the 1970s and 1980s, and how psychosocial models were used to explain the effects that unemployment had on people. It then explores the concept of worklessness, where, from the early 1990s, particular groups and areas are detached from the labour market despite rising employment levels in the country as a whole. It outlines what is meant by the term worklessness, and explores the barriers faced by key groups of workless people.

The review then moves on to examine how worklessness can be understood at the individual level, through an examination of literatures that seek to explain the relationship between the behaviour of individuals and worklessness. It then explores how the community-level can impact on the worklessness of individuals, by examining whether cultures of worklessness exist and whether there is an intergenerational element to worklessness. Finally, it examines geographical concentrations of worklessness to explore how living in deprived areas can impact upon the individual.

1.1 Unemployment and worklessness

1.1.1 The nature of unemployment

Employment has, in the last 30 years, been undergoing immense restructuring caused by shifts in the nature and organisation of the capitalist world economy. Western economies have moved towards a tertiarisation of economic development as manufacturing has shifted to newly industrialising countries and the service sector has become dominant (Martin, 1994). There has also been an escalating globalisation of the capitalist economy, as markets for manufacturing, services, and especially capital, have become ever-more globally integrated, and money, people, goods, ideas and products have become increasingly mobile (Appadurai, 1996).

These changes have led to new patterns of employment and unemployment for men and women. De-industrialisation in the 1970s and 1980s led to mass male unemployment and the end of the stable, well-paid, low-skilled, unionised job in manufacturing that characterised employment for some in the post-war period up to the early 1970s. There have also been continuing increases in the numbers of women in paid employment, narrowing the employment gap between men and women. For those individuals who became unemployed as a result of the economic changes of the 1970s and 1980s, unemployment was experienced in stark contrast to the norm of employment. The effects of being made unemployed were analysed by psychologists who developed models to explain the psychosocial impact of unemployment.
1.1.2 The psychosocial effects of unemployment

A psychosocial view of unemployment was first developed by Jahoda, Larsfield and Eisenberg during the depression of 1930s Central Europe. Most famously, they undertook field research in Marienthal, an Austrian village where employment had centred around one factory. When the factory closed down the village population was left unemployed (Jahoda et al., 1933)\(^2\). The researchers theorised that on becoming unemployed, people move through universal stages of mental states, starting with shock and culminating in a fatalistic outlook. Formal employment, they argued, gives structure and meaning to life, fulfilling human needs not just financial ones. Finally, the theory stated that unemployment impacts negatively upon mental health and, in the long-term, causes deterioration of social and intellectual capacities (Jahoda, 1979).

When mass unemployment returned during the 1970s and 1980s, Jahoda saw that even though unemployment had become less financially devastating (with the development of welfare states in the post-war era providing state benefits for unemployed people), the basic psychological effects of unemployment remained the same. She considered that employment imposes five broad categories of experience on individuals:

‘...the imposition of a time structure, the enlargement of the scope of social experience into areas less emotionally charged than family life, participation in a collective purpose of effort, the assignment by virtue of employment status and identity, and required regular activity... [They are] a psychological requirement in modern life.’


Accordingly, Jahoda purported that unemployed people experience psychological deprivation in relation to these categories. Jahoda was also in little doubt that certain low-skilled types of employment could be psychologically damaging and advocated the improvement of working conditions. However, she did not believe that unemployment, even with adequate financial support, was a better experience for people than employment.

A body of work by occupational psychologist, Peter Warr, further developed the work of Jahoda and also defined stages of psychological states that are experienced following job loss. It was stated that the first three months of unemployment are the most stressful, when there are an increased number of threatening events such as: dealing with benefits agencies, reassessment of self in relation to personal and societal values, and change to family relationships and to general social interactions (Warr, 1987; Warr and Jackson, 1985). After that time, the unemployed person is likely to adjust to living with the new stresses and ‘gradually adapt him or herself to the unemployed role’, by establishing new routines, and getting accustomed to living on a reduced budget (Warr and Jackson, 1985, p805). During this phase

\(^2\) This work was not translated into English until the 1970s.
psychological health stabilises. Furthermore, if it is accepted that chances of re-employment are low, ‘a person can then better predict and plan the future’ (Warr and Jackson, 1985, p806).

Jahoda and Warr’s work has, of course, to be taken in the historical context in which it was written. In Marienthal, Jahoda and her co-researchers were shocked and disturbed by the ‘tragedy of mass unemployment’ (Jahoda, 1982, p7). In the 1980s, world-wide recession saw unemployment rates rising in most industrialised nations, where there were also fears that new technologies, particularly microprocessors, would eliminate many jobs. There were debates around the advent of a leisure society in which paid work would be unnecessary for many.

Warr’s research in Sheffield focused on the impact of plant closures and large scale redundancies. As Agerbo et al. pointed out, ‘redundancies cannot be considered typical of the unemployment experience, in part, as they are often accompanied by policies to assist the redundant workers’ (Agerbo et al., 1998). From a sociological perspective, these psychosocial models of unemployment have been criticised for not taking into account differing and changing social contexts and differing life stages of the individual:

‘The possibility that people have different psychological needs, or that needs can change for individuals and for humans in general is not something which is easily introduced into the perspective.’

(Nordenmark and Strandh, 1999, pp578-9).

The work of Jahoda et al. has also been criticised on the basis of methodology and class bias (McKibbin, 2002).

In summary, the traditional psychosocial models of the effects of unemployment evolved in a particular context, where:

- people who had worked most of their lives suddenly became unemployed;
- unemployment was high and, therefore, the chances of securing other legitimate employment were low;
- these two circumstances gave rise to a number of powerful psychological states, namely that there is shame/anger/guilt/shock associated with being made unemployed, and despair or hopelessness at the prospect of finding alternative employment, and the most psychologically healthy position in such circumstances is one of adjustment to a situation in which the individual has no control.
Whilst traditional psychological models of unemployment and mental health can still hold true in circumstances where employment is the norm, they cannot so readily be used to explain other forms of detachment from the labour market where *not being in employment* is the norm. In such situations, individuals would not experience the same chain of reactions to losing employment or the same related feelings of hopelessness about the prospect of finding new employment to the same extent. In the traditional view of the effects of unemployment, job loss is seen as a cause of social isolation undermining the individual’s sense of status and personal identity. This may not be relevant in instances of intergenerational unemployment where not having formal employment might be considered the norm and a basis for personal identity.

1.1.3 The context of worklessness

Since 1992, employment rates have been on an upward trend, particularly for women, although the rate of increase is smaller now than in the mid-1990s, as the labour market has approached full employment. In contrast to many countries that have witnessed a decline in employment rates, the UK working age employment rate remains both high and stable at approximately 75 per cent. While there have been improvements in employment rates, they have not been evenly distributed amongst the population. Marked differences in access to improved labour market opportunities are to be found according to location, skill/education level, gender, age, household composition, and incidence of a range of specific disadvantages.

As unemployment has declined (although low levels of short-term unemployment persist, and some individuals cycle between short periods of employment and benefits), attention has shifted to those individuals who are long-term unemployed, despite living in a period of relatively high employment, and to the rising number of individuals who are economically inactive and claiming inactive benefits. There has also been an increasing focus both on areas which have lagged behind the rest of the UK in terms of economic growth, and where pockets of worklessness exist within relatively buoyant labour markets.

1.1.4 Definitions of worklessness

The term ‘worklessness’ is increasingly being used to describe these individuals and places. It is often defined as people of working age who are not in formal employment but who are looking for a job (the unemployed), together with people of working age who are neither formally employed nor looking for formal employment (the economically inactive). This approach has recently been used by the Social Exclusion Unit:

‘*Worklessness refers to people who are unemployed or economically inactive, and who are in receipt of working age benefits.*’

(SEU, 2004a, p12).
A recent report produced as part of the national evaluation of the New Deal for Communities also defines worklessness as including those who are unemployed or economically inactive and are in receipt of benefits:

‘The definition of worklessness used in this chapter includes people within the ILO definition [of the unemployed] who are also eligible for benefits. In addition, the count of workless individuals incorporates those who are without work due to ill health or disability. Thus, the definition used here defines a person as workless if there is evidence from the benefit system that they are involuntarily out of work.’

(CRESR, 2004, p5).

The advantage of this concept of worklessness is that it broadens the traditional definitions of unemployment that focus on those actively seeking work, by including those who are economically inactive and claiming inactive benefits. However, these definitions have a few key disadvantages.

The International Labour Organisation (ILO) definition of unemployment covers people who are: ‘out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight.’ The first disadvantage of the CRESR definition, therefore, is that it excludes people who are receiving Jobseeker’s Allowance (JSA) but who, in reality, have not been actively seeking work over the past four weeks.

Secondly, by including all those who are unemployed and actively seeking work, it includes individuals who are only briefly in unemployment. This group are in contrast to long-term unemployed and economically inactive individuals, who experience entrenched detachment from the labour market and are, therefore, the focus of policy attention. Whilst short-term unemployed individuals may not need any policy interventions, long-term unemployed and inactive individuals may need a range of policy interventions to help them move into employment.

Finally, these definitions of worklessness exclude individuals who may be economically inactive but are not claiming inactive benefits. This excludes those who are eligible for working age benefits but are not claiming them. For example, some disadvantaged groups may not access the working-age benefits that they are entitled to, dependent partners may have a claim made on their behalf rather than claiming themselves, and some lone parents who are workless may not be claiming benefits.

1.1.5 Defining worklessness in the context of the Working Neighbourhoods Pilots

Worklessness is examined here in the context of the Working Neighbourhood Pilots and the client groups they are working with. These client groups include the unemployed, the economically inactive, and, in some cases, those who may be

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working in the informal economy. A definition of worklessness in this context, therefore, needs to include those who are inactive but not claiming benefits and those in the informal economy. To be in line with existing definitions of worklessness, a definition of worklessness in this context incorporates all unemployed individuals (including the short-term unemployed).

Worklessness is defined, for the purposes of this review, as detachment from the formal labour market in particular areas, and among particular groups. Workless individuals include individuals who are unemployed and claiming unemployment benefits, individuals who are economically inactive and eligible for inactive benefits (who may or may not be claiming them), and individuals who are working exclusively in the informal economy (who may or may not be also claiming benefits).

Worklessness is, therefore, made up of very diverse groups. Workless individuals may:

- be unemployed for a short-time only;
- have been unemployed for many years;
- be ‘cycling’ between employment and benefits;
- have had little or no experience of formal employment;
- see no prospect of participating in the labour market because of the barriers they face;
- have chosen not to work (for example, those approaching retirement or with family responsibilities);
- actually be working, but in the informal economy.

Furthermore, individuals may fall in to one or more of these categories. These groups may have very different motivations, attitudes, and norms of employment. Being defined as workless does not necessarily mean that individuals are not undertaking forms of unpaid work or activity such as caring for relatives, looking after children and voluntary work.
2 Who are the workless?

Worklessness is concentrated in a range of disadvantaged groups. A recent report by the Social Exclusion Unit examined the characteristics of those living in more than 16,000 areas in England defined as being ‘concentrations of worklessness’ (Social Exclusion Unit, 2004a). It found certain groups and characteristics disproportionately represented within them:

- Almost half the working-age population in these areas have no qualifications.
- The proportion of black residents is twice the national average.
- Half of all households have at least one person with a limiting long-term illness.
- One-fifth of workless households have dependent children.
- One-third of people providing unpaid adult care do so for over 50 hours a week.
- Rates of self-employment are half those in the rest of England.

That is not to say that all these characteristics are to be found in each area where there are concentrations of worklessness; in the Working Neighbourhood Pilots, for example, only two, Aston and Tower Hamlets have high concentrations of black and minority ethnic populations. There are large literatures examining the labour market positions of each group where worklessness is concentrated, and this review, therefore, only sets out to briefly outline the key groups and the issues they face in terms of accessing the labour market (including some of the characteristics they may share, such as low qualifications). Not all individuals within these groups are workless, but being a member of these groups can increase the risk of being workless.4

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4 It is anticipated that results from the eligible residents survey, part of the Working Neighbourhood Pilots evaluation, will further explore which groups experience worklessness.
2.1 Workless households

Although employment is as plentiful now as it was 30 years ago, the number of adults living in workless households, and the number of workless households, have roughly quadrupled (Gregg et al., 1999). Britain has the fourth highest workless household rate in OECD. In recent years:

‘There has been a simultaneous rise in households that are fully employed and in those with no access to earned income.’

(Gregg et al., 1999, p73).

The rise in employment rates amongst women comes almost entirely from women with employed partners (Desai et al., 1999), leading to increasing divisions between work-rich and work-poor households (Bonjour and Dorsett, 2002). The decrease in real terms of wages for entry-level jobs has meant that the monetary benefits of moving from benefits to those jobs have been smallest for workless households; ‘low paid jobs can more easily be taken with the support of another income’ (Gregg et al., 1999, p89). Adults in workless households are, therefore, spending increasingly long periods out of the labour market (Arrowsmith, 2004), with 60 per cent not being in employment in at least three years (Gregg et al., 1999).

Berthoud’s systematic review of the additive effects of disadvantages on job prospects (2003) shows that the risk of being in a non-employed family are increased by being in one or more additional categories. These include being a lone parent, having low qualifications and skills, being impaired, and living in a region with a high unemployment rate. Lone parenthood shows the biggest association with risk of family non-employment.

2.2 Lone parents

The need to provide care for children without the support of a partner can make it more difficult for lone parents to participate in the labour market. Divorce reforms and changing attitudes to ‘out-of-wedlock’ births have led to a rise in lone parent households, with numbers trebling in the last 30 years. The most rapid increase was from the mid-1980s, although this has recently slowed (One Parent Families, 2003). There are currently 1.75 million lone parents in the UK, making up a quarter of all families (One Parent Families, 2003). Lone parents care for almost one-in-four of all children in the UK.

Families headed by lone mothers have substantially higher poverty rates than other household types and poverty still affects over half of all one-parent families in Britain (One Parent Families, 2003). A high proportion of lone parents (53 per cent) live in social housing (Speak, 2000). Young single mothers represent a small proportion of lone parents as a whole but are particularly disadvantaged. They often present themselves to local authorities in a state of crisis and are more likely to be housed with little choice, in the least desirable neighbourhoods, away from friends and
families (Speak, 2000). Cost and availability of childcare is a major barrier to labour market integration for lone parents, especially as this re-integration tends to be into low-paid jobs (McGregor and McConnachie, 1995). While the numbers of childcare places is a valid governmental concern, Speak argues that:

‘The location of the places, their type and flexibility, and how much they cost to access in terms of fees, bus fare and effort, are of equal concern.’

(2000, p38 author’s emphasis).

Lone parents generally experience low employment rates. It has been shown that the risk of non-employment amongst lone parents is related to the age of the youngest child, with non-employment reducing as the child grows older (Berthoud, 2003). In the early 1990s, employment rates stood at just over 40 per cent, rising to around 54 per cent currently (Casebourne and Britton, 2004). Since the Government introduced the New Deal for Lone Parents and the Working Families’ Tax Credit (now Working Tax Credit) employment levels amongst lone parents have accelerated, suggesting that improved financial incentives to engage in formal employment, along with increased childcare provision, have been successful in reducing worklessness amongst this group (Gregg and Harkness, 2003). However, there is still some way to go in reaching the Government’s target of 70 per cent of lone parents in employment by 2010.

2.3 Minority ethnic groups

A complex interaction of supply and demand-side factors impact on higher rates of worklessness of many black and minority ethnic groups compared to the general population. Although considerable progress has been made over the last two decades, the attainment of the minority ethnic population overall, in education and the labour market, remains poor in comparison with the white population (Strategy Unit, 2003).

This overall picture, however, masks significant differences between minority ethnic groups. For example, Indians have higher employment rates, economic activity rates and occupational achievement than Pakistanis and Bangladeshis, and black Caribbeans are significantly more disadvantaged in many respects, compared with black Africans. There are also differences between first and subsequent generations, between men and women, and between geographical locations for different minority ethnic groups.

The causes of labour market under-achievement are many and varied. The Strategy Unit report (2003) highlighted the causes of differential labour market performance to include supply-side determinants such as education and skills. The combination of educational qualifications and skills a person possesses, commonly referred to as ‘human capital’, is acknowledged as one of the most important determinants of labour market outcomes. The Labour Force Survey 1999, showed that an individual was more likely to be economically inactive if she or he has lower levels of
qualifications, and that men without qualifications have very high unemployment rates (Gregg and Wadsworth, 1999). While some minority ethnic groups are performing better than the general population in compulsory and higher education, others are attaining well below average at a national level (DfES, 2005; Modood et al., 1997).

To that extent, the wide disparities in educational attainment rates across ethnic groups at compulsory education levels may be seen to contribute to skills differentials and, subsequently, early different labour market outcomes. Here too, generation appears to be a key determinants of educational outcome; second generation minority ethnic groups, irrespective of gender, have better educational outcomes than first generation (Modood et al., 1997). Concentration in poor housing and consequential lack of mobility, and concentration in areas of high unemployment are also cited by the Strategy Unit as a cause of labour market disadvantage of many minority ethnic groups (2003).

The effect of racial discrimination is also seen to impact upon the lower labour market success of minority ethnic groups. Research into unemployment propensities and occupational attainment has shown that the ‘ethnic penalties’ experienced by minority workers cannot be fully explained by differences in human capital and personal characteristics; at least some disadvantage in the British labour market is attributed to discriminatory recruitment practices by employers (Carmichael and Woods, 2000; Heath et al., 1999). Furthermore, religious discrimination and ‘Islamophobia’ may also limit the employment opportunities of Muslims. A survey of religious organisations was undertaken by the Home Office in 2001. It found that a consistently higher and more frequent level of unfair treatment was reported by Muslims than all other religious groups in respect to education, employment, housing and local government services (Weller et al., 2001). This situation is likely to have worsened in the intervening years.

2.4 Disabled people and people with health conditions

Disabled people have an increased propensity to be workless for reasons relating to barriers in education and the labour market and arguably, the impact of their condition. Defining disabilities is difficult because of the complex nature and different perceptions of what constitutes a health condition, disability, or impairment. Individuals with health conditions or impairments may or may not regard themselves as disabled. The Disability Discrimination Act 1995 (DDA) defines disability as a ‘physical or mental impairment which has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities’.

Economic inactivity rates are known to be exceptionally high among disabled people. Estimates from the Labour Force Survey 2003, indicated that 49 per cent of long-term disabled people were in employment, compared with 81 per cent of non-disabled people (Hurstfield et al., 2004b). A survey of 2,000 disabled people of
working age reported that one-quarter of those who were unemployed, and two-fifths who were economically inactive, had been so for five years or more (Meager et al., 1998).

While 64 per cent of unemployed disabled people agreed strongly that getting a job was important to them, almost three-quarters (73 per cent) of economically inactive disabled people said that they were unable to work at all. This proportion increased with age and severity of disability (ibid.). The DDA is helping to improve access to places of employment. Overall, however, it seems to be having a greater influence in protecting the rights of disabled people already employed rather than getting disabled people into employment (Meager et al., 1999; Hurstfield et al., 2004b). Yet, the most common experience of discrimination is reported to occur in the recruitment process (Meager et al., 1998).

A major barrier for disabled people to obtaining employment is a lack of qualifications (Hurstfield et al., 2004a). Disabled people have lower overall levels of qualification than their non-disabled counterparts. The Labour Force Survey, Summer 2003, showed that 27 per cent of long-term disabled people had no qualifications, compared to 12 per cent of non-disabled people (ibid.). There is a tendency for those with more severe disabilities to be less well qualified (Meager et al., 1998). The occurrence of lower qualifications is not limited to older disabled people: the proportion of people aged 16 to 24 with disabilities and without qualifications is double that of non-disabled people of the same age (Smith and Twomey, 2002). The extension of the DDA in October 2004 to cover qualifications bodies was a response to barriers facing disabled persons in gaining qualifications. It has given qualifications bodies duty to make reasonable adjustments so as not to place disabled people at a substantial disadvantage. It is hoped that the legislation will encourage qualifications bodies to avoid making assumptions about the capabilities of individual disabled people (Hurstfield et al., 2004a).

In November 2004, while 0.7 million people were claiming unemployment benefits, 2.76 million people were claiming incapacity related benefits (DWP 2005). There has been debate around the possible abuse of the disability benefits system both by unemployed people and by Employment Service staff, and the disability benefits system itself can act as a barrier to employment or re-employment. Recipients of disability benefits have traditionally had little contact with Jobcentres and many fear that looking for work will endanger their benefits status (Social Exclusion Unit, 2004b). Others feel that ‘leaving benefits represents a real threat to their financial security’ (Social Exclusion Unit, 2004b, pp 60-1). The loss of disability benefits, together with the uncertainty of job-seeking status, can cause some claimants to be nervous and negative about seeking work (Hedges and Sykes, 2001). While the Working Tax Credit and new ‘linking rules’ can ease the transition to employment and provide a safety net, these, it is claimed, are not widely understood (Social

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5 See, for example, Department for Work and Pensions, 2003; Ashworth et al., 2001; Hedges and Sykes, 2001; Hiscock and Ritchie, 2001; Hussey et al., 2003.
Those who have mental health problems (who may or may not consider themselves to be disabled) face particular barriers to employment. Those who have long-term mental health problems are ‘particularly sensitive to the negative effects of unemployment’ (Social Exclusion Unit, 2004b, p52). Only 24 per cent of adults with mental health problems are in employment; those with long-term mental ill-health have the lowest rate of employment of any of the main groups of disabled people (Social Exclusion Unit, 2004b). The Social Exclusion Unit (2004b) point to the diversity of needs of people with mental health problems; while some will continue to benefit from alternative work, such as Individual Placement and Support (IPS), others who could benefit from moving into paid employment are denied the opportunity to do so. The barriers to employment for this group were identified by the Social Exclusion Unit (2004b) as:

- the impact of the mental health problems themselves, including the side effects of medication, leading to loss of motivation and confidence;
- fear that employment will lead to worsening mental health;
- low expectations of support professionals: health and social care staff can advise against employment, not fully understanding the benefits of employment; Jobcentre Plus staff can have poor awareness of mental health issues, which can lead to ‘a culture of low expectations and assumption that some individuals will never work’ (p60);
- employer attitudes, stigma and discrimination (see also Mental Health Foundation, 2000);
- lack of awareness by people with mental health problems of support available;
- financial implications of job search and gain.

The biopsychosocial model of disability has been developed to understand how rehabilitation can address all of the biological, personal/psychological and social dimensions of health problems. Rehabilitation is not addressed in this review, nor are the debates around defining disability in terms of the medical versus the social model covered. However, it is worth outlining the biopsychosocial model here to show how health or disability as a barrier to employment can be understood by examining the biological, psychological and social dimensions (Waddell and Burton 2004). The biopsychosocial model is an individual-centred model that considers the person, his or her health problem, and social context. ‘Biological’ refers to the

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6 The biopsychosocial model has not been uncontroversial. Waddell and Burton (2004) argue that it is not simply an extended medical model, but one that brings together the perspective of disabled people (who argue restrictions of function are often imposed by the way society is designed for able-bodied living) and a clinical perspective (where symptoms are seen as originating from a health condition, whilst the development of chronic problems and incapacity often also depends on psychosocial factors).
physical or mental health condition, ‘psychological’ recognises that personal/psychological factors also influence functioning, and ‘social’ recognises the importance of the social context, pressures and constraints on behaviour and functioning. The model suggests that there can be biological, psychological and social obstacles to employment which can interact, and, in the case of rehabilitation, prevent a return to employment. In examining the evidence for the effectiveness of biopsychosocial interventions for different types of health conditions, Waddell and Burton show how such multi-dimensional interventions are most effective in rehabilitation.

2.5 Carers

Having caring responsibilities for a sick child or an adult can impede an individual’s success in the labour market and opportunity for social mobility. In concentrations of worklessness, one-in-ten people provide unpaid care, with 32 per cent providing more than 50 hours of unpaid care each week. This compares to 20 per cent of carers in the population as a whole providing more than 50 hours a week of unpaid care (Social Exclusion Unit, 2004a). Half of carers of working age providing over 20 hours of care per week do not work; 650,000 people in all (Howard, 2002).

Carers face a number of barriers to employment (Howard, 2002). Carers can often be affected by a lack of skills and confidence, especially if they have spent years outside the formal labour market and have been isolated in the home. Some may have additional individual-level barriers such as poor health or age. Carers can also be disadvantaged by a lack of information, and may have problems getting alternative care from support services when they are in employment. They may face financial disincentives to work, and employers do not always understand the needs of carer employees or offer appropriate flexible working practices (Howard 2002).

A survey of over 1,000 carers in 1996 found that, despite the importance that carers not in employment placed on returning to work, they were sceptical about their chances of doing so. The majority felt that it would either be impossible or fairly difficult to find work again, and the main issue of concern was lack of experience in dealing with new technology (Caring Costs Alliance, 1996). A more recent survey conducted by the EOC (2004) found that 18 per cent of carers had left, or been unable to take, a job because of caring responsibilities, with 50 per cent stating that the one thing that would make most difference to their life as a carer was better care services.
2.6 Older workers

Older people, which generally refers to people aged over 50, are also more likely to be workless than the general population. Until the late 1970s it was rare for men to retire before the normal retirement age under their pension scheme or the state pension age. The economic recessions and rise in unemployment during the 1970s and 1980s led to Government measures and industry initiatives to reduce the size of the workforce through promoting early retirement. As pension funds tended to be in surplus, it was possible to pay for the cost of early retirement programmes from pension-fund assets. This promotion of early retirement occurred alongside increasing numbers of older redundant workers moving from active benefits onto inactive benefits.

By the late 1990s, the rise in the number of older economically inactive people below state pension age was causing concern. Reflecting this concern, the Cabinet Office Performance and Innovation Unit (PIU) published a paper in 2000 setting out a new policy agenda for people aged 50 to 65 (PIU, 2000). The focus was on getting older men back to employment, or retaining them in employment. Many of the recommendations related to employment and training initiatives, and retirement schemes were criticised for encouraging early exit from the workforce. The Green Paper in 2002, and subsequent tax simplification papers, took forward the issue of encouraging people to stay in or return to employment, by setting out a range of Government proposals to remove barriers to continued labour market participation.

Older active and inactive benefit claimants typically claim benefits for longer periods than younger people, and they face a wide range of barriers to employment, such as outdated skills and health problems (Moss and Arrowsmith, 2003). The New Deal for 50 Plus aims to move older long-term unemployed people and older people on inactive benefits back into employment. Whilst there have been significant improvements in the employment rate for those aged 50 to state pension age, their employment rate is still below the overall employment rate.

2.7 Those working in the informal economy

Individuals working in the informal economy may appear in claimant counts to be unemployed or economically inactive although they are actually working. The informal economy covers all economic activity that avoids taxes, regulation and official registration or measurement. Opportunities to work in the informal economy may make formal work less attractive, particularly when formal employment means a loss of out-of-work benefits (Social Exclusion Unit, 2004a).

The Social Exclusion Unit has found that in some areas where worklessness is concentrated, there is in fact a great deal of ‘work’ going on, and evidence of considerable entrepreneurial spirit and skills which could potentially be harnessed for the formal economy (2004a). Informal working is concentrated in certain sectors – agriculture, construction and decorating, cleaning, hairdressing, childcare and...
taxis. Whilst some individuals in the informal economy may also be claiming active or inactive benefits, there is a large group who are neither receiving benefits nor paying tax who are effectively self-employed. Evidence suggests that there is significant unmet demand for help in ‘going legit’ (Social Exclusion Unit, 2004a).

An analysis by the grassroots organisation Street (UK) found that there were four main categories of clients that they worked with in terms of attitudes to working in the informal economy (Copisarow and Barbour, 2004):

- Those who could not manage to cover their basic needs without the subsidy provided by operating in cash.
- Those who perceive operating in the informal economy as a mechanism that gives them the opportunity to advance into mainstream society.
- Those who use their informal economy practices to support their capacity to give back to the community and to help those more disadvantaged.
- Those who are deliberately out to cheat the system for as much as they can get away with.

Section 3.8 (‘The rationalities of economic decision-making’) discusses why it may be rational for some individuals to work in the informal economy.

2.8 Offenders and ex-offenders

As employment rates have increased and those with fewer barriers have moved into formal employment, offenders and ex-offenders increasingly constitute a large and growing proportion of the workless (Fletcher, 2003). Over 50 per cent of people under the supervision of probation and leaving prison are unemployed, and long-term unemployment is high (Metcalf et al., 2001). The Social Exclusion Unit (2002) has shown how many prisoners have experienced a lifetime of social exclusion in the past, and identify nine key factors that influence re-offending:

- education
- employment
- drug and alcohol misuse
- mental and physical health
- attitudes and self-control
- institutionalisation and life skills
- housing
- financial support and debt
- family networks.
There is considerable risk that a prison sentence may make the factors associated with re-offending worse. One-third of prisoners lose their home whilst in prison, two-fifths lose contact with their family and two-thirds lose their job (Social Exclusion Unit, 2002). Employment reduces the risk of re-offending by between one-third and one-half, but offenders face a particular set of barriers to work that makes moving into employment hard. Having a lack of skills and education, housing problems, mental and physical health issues, drug misuse in the past or present, and employer discrimination against people with criminal records all act as barriers to employment (Metcalf et al., 2001).

Unlike some other groups disadvantaged in the labour market, offenders are sometimes seen as the ‘undeserving poor’ and viewed in terms of the threat they pose to society, which can further exacerbate their exclusion (Fletcher, 2002). Employers often lack the appropriate policy framework for dealing with the issues raised by the recruitment of offenders, and many have informal policies which restrict their recruitment. Many of those involved in recruitment may have stereotypical attitudes about offenders who are seen as unreliable, untrustworthy and a threat to employees, customers and clients (Fletcher, 2003).

2.9 Multiple disadvantage

The groups of workless people identified in this section are by no means mutually exclusive and people who fit into two or more categories can face multiple barriers to labour market participation. For example, older disabled people can face discrimination both because of their age and disability (Molloy et al., 2003). Evidence suggests that people from ethnic minorities with mental health issues face double-discrimination in the labour market and additionally are under-represented in specialist mental health employment schemes (Social Exclusion Unit, 2004b). Other research has indicated that for lone parents on health-related benefits, their health problem/disability is the main barrier to entering employment but this interacts with other constraints common to many lone parents, such as childcare (Casebourne and Britton, 2004).

Berthoud’s examination of multiple disadvantage (2003) has shown that the variations in the risk of non-employment can largely be explained just by adding together the independent effects of each contributory factor. Berthoud suggests that this is helpful to policy analysts, as addressing the barriers to employment associated with one kind of disadvantage will yield dividends without having to worry too much about its links with other possible disadvantages (although some specific combinations do require special attention). Taking the case of lone parents, between 1992 and 2000 non-employment amongst lone parents fell from 70 to 56 per cent overall, partly but not exclusively because of the increased demand for labour. Multivariate analysis of the Labour Force Survey showed that even within seriously disadvantaged families, for example with younger children, poor qualifications and an impairment, the proportion of those in work doubled over the period. This indicates that their chances should by no means be written off as impossible.
That said, it should also be recognised that some workless individuals may not be able to cope with the challenges of job search and employment. Dean et al., undertook qualitative research of 50 people who had, or had previously experienced, several problems additional to unemployment, such as homelessness, ill-health, substance misuse, criminal records, mental health problems and disruptive family backgrounds. A striking commonality across the sample was that their lives had been affected by violence:

‘It is perhaps beyond the power of policy makers to create a kinder society, but it is necessary nonetheless that they recognise the extent of the damage that families and social institutions can inflict on individuals.’

(Dean et al., 2003, p24).

Some interviewees consider finding solutions to other problems, such as mental health or housing problems, a priority over seeking employment and may need help with these issues first before their employment needs can be addressed. If pushed toward job seeking too soon, the resulting failure can be damaging for people with mental health problems or low self-esteem. Therefore, a flexible definition of ‘job-readiness’ may be required (Dean et al., 2003).
Policy makers have become increasingly interested in understanding the psychology of behaviour to engage citizens more effectively and, therefore, improve policy outcomes (Halpern et al., 2004). In the context of worklessness, it is argued that greater participation in the labour market depends not just on the economy but on the motivations and behaviour of individuals. It could be argued that the groups identified in the previous section are workless simply because of the barriers and disadvantages they face. It is, therefore, helpful to consider how and why some people overcome these barriers to employment, while others remain workless. However, that is not to suggest that successful job search is entirely determined by known characteristics; chance and unobserved heterogeneity will also be at play.

There are a number of ways in which psychology literature could be anticipated to provide information on the antecedents, causes or consequences of worklessness:

- **Through shared psychological characteristics:** that there is a common psychological factor or state that is shared across workless groups regardless of the specific barriers faced by that group (i.e., is there some consistent underlying psychological factor that applies to worklessness or defines worklessness, aside from presenting difficulties of, for example, lone parenthood?) Such characteristics could arise as a cause or consequence of worklessness.

- **Through the number and complexity of barriers to employment experienced** (i.e., that workless people, regardless of the cause of the barriers they face, are experiencing an extreme combination of barriers). This could, in turn, have a psychological impact in terms of perceived ability to cope with, or find, appropriate employment. This approach would be comparable with traditional models of unemployment and mental health, where the complexities of finding employment lead to a sense of hopelessness and poorer mental health, lower self-esteem etc.
• Through socio-psychological factors. There is continued debate about whether an underclass or a culture of worklessness exists. Socio-psychological factors would offer explanations of worklessness at the level of group characteristics or group norms, shared ways of seeing the world based on values, beliefs or cultural characteristics that are distinct or unique for these groups.

• Through contingent relationships. This would be through specific combinations of factors: a mixture of values and barriers, which can be a potent mix. In an example from employment literature, recent research (Johns, 2001) found that job satisfaction was unrelated to attendance until difficulties travelling to work were taken into account. Where travel difficulties were encountered, those with high job satisfaction were more likely to attend employment than those with low job satisfaction.

Examining the literatures that use psychological measures to understand behaviour (predominantly found in psychology and economics) can offer some approaches and models that are useful in understanding worklessness at the individual level.

3.1 Work and well-being

Research into the psychological impact of unemployment has consistently found that unemployment reduces well-being in most individuals, and that some individuals cope better. Various theories have been put forward to account for the psychological impact of unemployment. The mental health consequences of unemployment have further been found to affect people’s chances of re-employment. It has also been established that those suffering from poor mental health are more likely to be unemployed (see ‘Disabled people and people with health problems’, p8).

It has been demonstrated that life satisfaction scores are significantly higher for men and women in full-time salaried employment, than for unemployed people (Clark et al., 1999). In a review, 14 out of 16 studies gave evidence that job loss had a negative impact on mental well-being (Murphy and Athanasou, 1999). The longitudinal studies covered the period 1986 to 1996 and measured the impact of unemployment on mental health across a diversity of occupation types and personal characteristics of respondents. The majority also reported that ‘distress levels fall following re-employment [which] implies that job loss provokes psychological distress, rather than the reverse’ (1999 p89).

Meta-analysis of the longitudinal data (where the numeric data on similar scales from a number of different studies are combined and re-analysed), showed that the magnitude of improvement of mental well-being on moving from unemployment to employment suggests it is of real practical significance (Murphy and Athanasou, 1999). However, less conclusive was the size of the impact of job loss on mental health. A gap in evidence was identified, as was a need for more, larger and more reliable studies. The authors propound that more emphasis should be placed on the influence of economic contextual factors on mental health, in other words the impact of the probability of re-employment in a given local labour market upon the mental well-being of unemployed people (Murphy and Athanasou, 1999).
First admissions to psychiatric wards were used to investigate the impact of unemployment on mental health in one Danish study (as opposed to self-reported mental health indicators used in most studies). Time series analysis over a 15 year period identified that a higher rate of unemployment is followed by a higher inflow of first admissions into psychiatric hospitals (Agerbo et al., 1998). It found that unemployment, together with a range of other socio-economic factors, were strong predictors of risk for hospitalised mental illness. Higher income in previous jobs lowered the probability of admission and being single increased the risk. There was some evidence that unemployed people who had been exposed to unemployment in the past, were more likely to enter a psychiatric ward.7

There is evidence elsewhere that the impact of unemployment on well-being can be persistent. German socio-economic panel data (1984-1994) supported the theory that the experience of past unemployment does scar, ie it reduces the current well-being of an individual whether employed or unemployed (Clark et al., 1999). For example, if a man has been unemployed for approximately 60 per cent of the time during the past three years, and he becomes unemployed again, there will be little change in his subjective life satisfaction. Conversely, job loss ‘hurts’ more if an individual has experienced less unemployment in the past (controlling for other factors such as age, education and income). For women, a scarring effect of past unemployment was only found in those with higher educational attainment, and the effect was reduced for those with children.

Periods away from the labour market damages a person’s self-esteem, according to research carried out by Goldsmith et al., (1996) using the National Longitudinal Survey of Youth in the USA. Loss of self-esteem was described by three symptoms: anxiety, self-alienation (ie loss of identity) and depression. For individuals who had experienced both unemployment and withdrawal from the labour market, the negative impact on self-esteem was greater. They found that a range of personal characteristics and work histories interacted with self-esteem and its components. For example, the impact of joblessness on levels of depression was greater amongst women, and lower amongst those with children. Interestingly, the study found that the higher the wage earned by an individual in their most recent job the lower their levels of anxiety and depression following job loss.

The effects of unemployment on mental well-being can, in turn, become a barrier to re-employment, as low self-esteem is arguably the greatest barrier to finding employment (McGregor and McConnachie, 1995). Recent research findings suggest

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7 However, increased exposure to unemployment in the past does not equate to an increased risk of hospitalisation. The authors suggest that this provides evidence of some adaptation to employment. See Section 3.5 on ‘Motivation’ for further discussion.
that levels of self-esteem, cognitive appraisal\(^8\) and coping effort amongst unemployed individuals were related to subsequent re-employment. Waters and Moore (2002a) looked at unemployed and employed respondents at a baseline and six-month follow up. Those unemployed at the baseline measure who rated levels of latent deprivation lower, and internal locus of control\(^9\) higher, were more likely to regain employment in the following six months. They concluded that positive psychological health and, in particular, self-esteem facilitated re-employment. Further analysis found that financial deprivation, alternate social roles and social support all had a main effect on self-esteem (Waters and Moore, 2002b). Financial deprivation had a greater effect on self-esteem for men, whereas, alternate roles and social support had a stronger positive relationship with self-esteem in women.

The relationship between self-esteem and re-employment is mediated, in part, by the job interview process (Darity and Goldsmith, 1996). Research has shown that three of the most important qualities sought by human resource managers are enthusiasm, confidence (which is closely related to self-esteem) and emotional stability. So the negative psychological impact of unemployment can affect traits that are important to employers (Darity and Goldsmith, 1996).

A sociological model of unemployment developed by Nordenmark and Strandh (1999) offers an alternative explanation of how unemployment affects some people more than others. It uses both Warr and Jahoda’s latent functions of unemployment arguments, and also Fryer’s agency theory that criticises the former for treating individuals as passive and dependent. The sociologists wrote that the impact of unemployment on an individual will vary according to how central the work identity is to that individual; how important work is for ‘satisfying the socially defined needs of different people’ p580. For example, a person continuously employed in white-collar jobs probably has an identity that is very connected to employment. A part-time worker who has also been a housewife for chunks of time is less likely to have an identity strongly associated with employment and more able to find an alternative social role. The level of resources available to the household together with the relative role in providing for the household prior to unemployment, also affect the impact of unemployment on the mental well-being of the individual.

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\(^8\) Broadly speaking, cognitive appraisal refers to the processes of perception, attention, memory, learning, problem solving and decision making. Cognitive appraisal, in this context, means the way in which an individual perceives and rates a given situation based on those processes. An unemployment situation might affect individuals very differently dependent upon a combination of cognitive factors such as their memory and experiences of similar situations, their ability to see and implement solutions etc.

\(^9\) Locus of control is concerned with the extent to which individuals perceive the world around them as something they can influence. See p20 for more information.
By the theory, if an unemployed person is able to satisfy their socially defined need for employment by means other than paid work, i.e., if their economic and psychosocial need for employment are low, the individual will have relatively good mental well-being (Nordenmark and Strandh, 1999). It was found that people who were able to adapt to the unemployment situation, economically and psychosocially, improved their mental well-being. The theory is helpful for understanding differences in mental well-being amongst unemployed people and during different phases of unemployment.

3.2 Unemployment and physical health

Research shows that unemployment is also linked to physical health disadvantage. Results from studies of census and morbidity statistics in Britain showing that unemployment increases the risk of death, irrespective of social class, are widely accepted (Bartley, 1994). This risk to health is increased in periods and regions of high unemployment (ibid.). The mechanics of the relationship between ill-health and unemployment are explained variously. Bartley’s review (1994) identified four types of explanation: (1) poverty, (2) stress, (3) health-related behaviour, and (4) the effect of unemployment on the rest of the work career.

A study of long-term unemployed people showed that those who get into debt are more likely to suffer a deterioration of physical health (White, 1991). Poverty may affect the diet of unemployed people with negative consequences (Bartley, 1994). Poor quality housing, determined by low income, can cause respiratory diseases and gastrointestinal problems. Over-crowded conditions increase the risk of infections as well as exasperating stress and undermining family relationships (Casebourne and Britton, 2004).

Unemployment as a stressful life event can trigger depression (Canadian Public Health Association, 1996) and occurs at a time when social isolation is likely to mean that less social support is available to an individual (Bradshaw et al., 1983). The stress of unemployment has been found to cause physiological changes to blood cholesterol, increasing the risk of heart disease (Curtis et al., 2002). Unemployment also increases risks of psychosomatic conditions such as stomach ulcers, hypertension, and eczema (Warr and Jackson, 1985). It has been noted that chronic health impairments deteriorate over long periods of unemployment, inactivity can for example worsen ailments such as back problems (Warr and Jackson, 1985). This is partly because ailments can become more salient following job loss when there is more time available to worry about them (ibid.).

Higher than average deaths from lung cancer are observed amongst unemployed men (Bartley, 1994). Such data provokes debates about whether unemployment is linked to forms of health damaging behaviour (social causation) or whether job loss itself is more likely amongst certain groups of individuals (individual drift). There is no clear evidence that consumption of alcohol and cigarettes increases or declines.
during unemployment (Bartley, 1994). However, it seems that people find it harder to give up smoking when they are unemployed, even though they are equally well informed about the risks and want to stop (Lee et al., 1991).

Bartley points out that the effects of unemployment may last longer than the period of unemployment itself (1994). It is noted that unemployment is not evenly distributed and once a person has become unemployed once, the risk of further spells of unemployment are increased. Those with a history of unemployment are more likely to be re-employed into insecure and/or poor quality jobs. It could, therefore, be the consequences of this kind of work history that explains the relationship between increased morbidity and unemployment (ibid.).

3.3 Underemployment and well-being

In the field of community psychology (a branch of psychology concerned with person-environment interactions), there has been recent interest in the effects of underemployment on mental well-being. Underemployment in this context is defined as ‘including both unemployment and economically inadequate types of employment’ (Dooley, 2003, p14) but does not preclude subjective notions of working in a job beneath one’s skill level. An example of underemployment would be those who work part-time involuntarily or for very low pay levels. Falling from adequate to inadequate employment potentially involves economic and psychosocial losses similar to unemployment, yet without the security and coping resources available to those with unemployed status.

Dooley (2003) points out that the huge amount of research into the mental health effects of unemployment tends to consider that the effects of all types of employment are more similar to each other than unemployment. In contrast, the amount of research into the relationship between well-being and economically inadequate employment is extremely limited. If studies comparing the effects of unemployment and employment on well-being accounted for the quality of employment, it is argued that they would better estimate both the harmful affects of unemployment and the benefits of high-quality employment (Dooley and Catalano, 2003). As well as identifying a need for more research into this area, community psychologists suggest that employment status should no longer be considered as a dichotomy of unemployment versus employment, but a continuum with variations of both unemployment and employment (Dooley, 2003; Fryer, 2000). It was written in 1992 that:

‘...the boundaries between work and non-work are becoming fluid. Flexible, pluralized forms of underemployment are spreading’

(Beck in Dooley and Catalano, 2003, p2; emphasis in the original).

One example of the research that has been undertaken was analysis of the American National Longitudinal Survey of Youth, which provides interview data with final-year school children and annual follow-up interviews (Prause and Dooley, 1997). Self-esteem was measured in 1980 and 1987 and employment status was categorised...
in 1987, thus: unemployed (including discouraged workers), involuntary part-time (IPT), low wage (LW), intermittently unemployed or adequately employed. It was found that the effects on self-esteem for the inadequate employment groups (IPT and LW) were not significantly different to the effects for the unemployment group.

A similar study of adults in 2003 did not show that the negative impact on well-being of underemployment was equal to that of unemployment (Friedland and Price, 2003). However, it did provide evidence that certain types of underemployment were damaging to certain aspects of mental health compared to adequate employment. The study tested the hypothesis that underemployed workers will have lower levels of psychological and physical health than adequately employed workers. The hypothesis was supported in relation to income and status underemployment, but not in relation to hours and skills. Status-based underemployment represents whether respondents held occupations of lower socio-economic status than would be predicted by their educational attainment. They found that the relationship between underemployment and health varies considerably by health indicators used (eg depressive symptoms, positive self-concept, chronic disease). The authors cautioned that new measures and methods need to be developed to research this new field.

Several other authors also tackle the impact of a new flexible labour market on traditional discourse around the relationship between health and employment. While much psychology research has indicated that mental distress is found to fall following re-employment (Murphy and Athanasou, 1999), it is contended that only re-employment into secure jobs leads to improved levels of mental well-being (Curtis et al., 2002; Halvorsen, 1998). Job insecurity has been variously associated with experienced powerlessness, impaired mental health, poorer family relations and reduced job satisfaction (Fryer, 2000).

The 1995 Australian NHS data set was used to compare both self-assessed mental health conditions and measures relating to current moods and emotions, across a variety of labour force statuses (Flatau et al., 1998). It was known from labour market statistics that a higher proportion of men than women were involuntarily part-time employed (approximately 40 per cent compared to 25 per cent). Men working up to 34 hours per week were found to have markedly lower mental health scores than women. This led the authors to conclude that involuntary part-time employment results in reduced mental health and well-being outcomes compared to full-time employment. Overall, the results suggested that the labour force states of unemployment, not being in the labour force (excluding studying), and part-time employment are all associated with poorer mental health than the full-time employment state. The lowest of all mean mental health scores were found amongst economically inactive men.

Graetz (1993) found that the relationship between psychological well-being and employment is also related to the quality of the employment found. Well-being only improved after re-employment if people went into jobs they were satisfied with.
Furthermore, the impact of job loss was harsher on those who were satisfied with their former job. It has similarly been found that re-employment into jobs with lower pay or where skills are under-utilised, does not enhance psychological health relative to that of unemployed persons (Winefield et al., 1990).

The few studies on this issue, taken together, may have some significant findings relevant to understanding worklessness:

[They] provide evidence that economically inadequate employment is associated with adverse mental health effects similar to those of job loss... People who are too discouraged to seek work may well be more at risk for mental health problems than those who are still trying to find jobs’.

(Dooley, 2003, p16).\(^{10}\)

It is noted that young people from minority ethnic communities are most vulnerable to underemployment. There is a further need to understand the impact on mental well-being of work histories that are characterised by cycles of unemployment, inactivity and low-paid insecure jobs. It is certainly conceivable that it is equally or more stressful to be in inadequate employment than remain workless.

3.4 Coping

Literature on the mental health consequences of unemployment in the 1980s and 1990s focused on the latent consequences of unemployment, largely ignoring poverty as a causal factor (Fryer 1992). Work by Whelan in Ireland aimed to redress the balance (1992). He concluded that income bears a clear relationship with General Health Questionnaire scores measuring psychological well-being. Whelan evidenced that poverty was one way that unemployment translates to distress, however, he acknowledged that employment provides more than just money.

There is a body of recent literature that goes further and suggests that economic hardship has a greater impact on the psychological well-being of unemployed people than the lack of structure, routine and social identity. The coping perspective developed by Halvorsen (1998) states that whilst unemployment is a serious problem, most people have the capacity to find strategies to cope. Economic resources are, therefore, assumed to be an important precondition for citizenship and well-being amongst unemployed people. Much research has been done in Nordic countries where welfare benefits have been cut under the justification that this will increase job search motivation.

\(^{10}\) The second part of that quotation contradicts Clark et al’s habituation theory (1999) p19, and Warr and Jackson’s theory (1985) on the adaptation of unemployed people to the role, p3.
A panel survey of long-term unemployed people conducted in Denmark between 1994 and 1999 claimed to provide evidence in support of the coping perspective (Andersen, 2001). Participants reported that although they would rather be working, they were able to cope with their situation and did not have difficulty of purpose and structuring everyday life. The majority were more concerned about economic insecurity, not being able to return to active employment and losing their qualifications, than psychosocial aspects such as stigmatisation, isolation and lack of daily routine. Measures of well-being during unemployment were found to be strongly related to the economic conditions of the individual, with economic problems impacting negatively on well-being and self-confidence.

Longitudinal studies carried out by Halvorsen (1998) and Price et al., (2002) concluded that the impact of unemployment on mental health is indirect and via financial hardship. Insufficient food, shelter, heat and inability to pay bills is a critical mediator between unemployment and depression (Price et al., 2002). Psychological distress arises from a vicious circle of marginalised labour market positions and economic marginalisation (Halvorsen, 1998). It is argued that previous research has over-stated the importance of the initial job loss, whereas, long-term economic hardship and stress should be considered most problematic, in terms of well-being (Halvorsen, 1998).

How economic hardship impacts upon motivation to search for jobs is another area of contention. It is argued that people experiencing higher levels of economic deprivation through unemployment are most likely to engage in more intense job search activity (Waters and Moore, 2001). However, the financial strain of unemployment can inhibit job search activity by increasing depressive symptoms (Vinokur and Schul, 2002; Price et al., 2002; Halvorsen, 1998). The loss of autonomy caused by financial constraints adds to psychological distress, further impeding job search (Price et al., 2002).

3.5 Motivation

The ‘discouraged worker’ hypothesis says that people may become discouraged from participating in the labour market or from job search activities if they consider their chances of finding a suitable job within a reasonable time to be small. Discouragement is most obvious when a person says that they want to work, but does not actually engage in job search. However, when a person says that they do not want to work, the underlying reason can still be discouragement. Two sources of discouragement are lack of job opportunities at a local level and, at an individual level, low human capital (Van Ham et al., 2001). Therefore, increasing job opportunities at a local level, and increasing individuals’ human capital should increase their motivation to seek employment (Van Ham et al., 2001; Warr and Jackson, 1985).

The marital status of an unemployed person can affect their economic position and attitude towards employment. The psychology literature has found that the most significant factor in predicting re-employment was being married or cohabiting
(Wanberg et al., 1996; Vuori and Vesalainen, 1999). This could be because support of a partner has a positive effect on job-searching activities. Analysis of the British Household Panel Survey showed that the impact of becoming unemployed on mental well-being is lower if the individual's partner is also unemployed, suggesting a kind of household norm (Clark, 2001). This can be considered significant if it is accepted that well-being measures can predict behaviour. It follows that where partners are unemployed there is less to gain socially and mentally from finding employment. As pointed out by Clark et al., (1999) this provides an alternative explanation to the 'benefits trap' argument for the large number of workless households in Britain.

Analysis of German time series data was used to test, and support, an habituation effect, that ‘if unemployment becomes the norm for an individual, then there is a reduced incentive to try to change one’s labour force status’ (Clark et al., 1999, p1). There are similarities to Warr and Jackson’s (1985) theory of adaptation (see p3). A sample of over 35,000 evidenced that the psychological impact of unemployment is lower for those who have experienced more unemployment in the past. (Clark et al., 1999). Furthermore, men who were affected less by unemployment (ie there was less drop in life satisfaction scores) were more likely to remain unemployed between successive waves of the dataset. The researchers suggest that the ‘pain’ of being made unemployed acts as a spur to finding another job. Therefore, if the pain is reduced, so is the incentive to look for work:

‘Not only are employers reluctant to hire those who have been unemployed for a lengthy period, but the evidence in this paper suggests that the unemployed themselves, while clearly unhappy relative to the employed, can become indifferent to the prospect of employment after a lengthy spell out of a job’.

(Clark et al., 1999, p15).

The theories were tested on sub-groups of the sample-based personal characteristics. It was found that the habituation effect was only significant for men with low educational attainment (Clark et al., 1999). No habituation effect was observed in men and women with children living at home. The research also investigated whether unemployment and economic inactivity affect current life satisfaction in different ways. It found that each labour market status was distinct in terms of its impact on psychological well-being. For men, past inactivity also impacted negatively upon current well-being but the effect was weaker than unemployment, suggesting an habituation effect. For women, past inactivity did not affect current well-being, but for unemployed women the experience of past inactivity increased their life satisfaction scores. Again, it was argued, suggesting some habituation to non-work.

In terms of social norms, research from Italy (Martella and Maass, 2000) found that both collectivism and time structure had a mitigating effect on life satisfaction amongst unemployed people. Their research found that life satisfaction amongst unemployed people was lower in northern Italy (where more individualistic norms prevail) than in southern Italy (where more collectivist norms prevail). They also
found that individuals who perceived their use of time as more purposive and structured also reported higher life satisfaction scores.

Locus of control (LoC) was first identified by Rotter in the 1950s. LoC is concerned with the extent to which individuals perceive the world around them as something that they can influence (Ajzen, 1991). Individuals with an internal LoC would tend to agree with statements such as ‘once I’ve made a plan, I can pretty much see it through’ or ‘you get what you deserve in life’. People with an external LoC on the other hand tend to see the world in a more random way beyond their influence, and events as simply a matter of luck: ‘success depends on being in the right place at the right time’. Specific versions have been developed, eg health-related LoC and work-related LoC. However, LoC has not been found to be a reliable predictor of behaviour either as a generic or a specific measure (Ajzen, 1991). Hence, although LoC could be helpful in understanding aspects of worklessness, it is unlikely to provide much explanatory power on its own in relation to behaviour.

Employment commitment, in particular non-financial employment commitment, measures an individual’s commitment to the idea of employment. Described as ‘the lottery question’ (Snir and Harpaz, 2002), it asks individuals whether they would stop or continue working if there were no economic reasons to do so. High employment commitment is associated with poor psychological well-being for those who are unemployed. Employment commitment has generally been viewed as a stable, dispositional characteristic in the research (Isaksson, 2004), although research on unemployment and employment commitment has questioned this (Nordenmark, 1999).

Isaksson et al., (2004) looked at employment status change (from work to unemployment) and subsequent work values development in a Swedish sample over a 15 month time period. Their research focused on mostly active job seekers and found that work involvement was higher for this group after 15 months. Underlid and Thuen (1991) looked at work involvement in a sample of Norwegian unemployed individuals. They found some variations by gender (women were more work involved) and age (the middle-aged were more work involved). They also found that higher work involvement was associated with higher reporting of emotional problems. Overall, employment commitment remained high across the sample.

Prompted by the lack of evidence about the personal or situational predictors of job search behaviour, Wanberg, et al. (1999) studied a number of individual differences in the job search and re-employment process of unemployed individuals. The North American study identified three areas of individual differences likely to impact on the intensity of job search activity:

- motives to search for a job (employment commitment, financial hardship);
- job search competencies (job search self-efficacy, emotion control and motivation control);
- job search constraints (ill-health; childcare or family obligations; civic, school,
religious or other responsibilities; family conflicts; not having adequate transportation; and not having friends or family to discuss job possibilities with).

The results showed that higher levels of employment commitment, financial hardship, job search self-efficacy and motivation control were associated with higher levels of job search intensity. This led the authors to conclude that motivation and psychological competencies (for example, cognition and behaviours, including managing disruptive anxiety and worry), explain individual differences in job search intensity, over and above differences explained by demographic measures alone.

In a longitudinal study of non-financial employment motivation and well-being in different labour market situations, Nordenmark (1999) found that employment commitment for unemployed people was the same as for those who gained employment in routine jobs during the same period. Both groups were lower in employment commitment than those who had gained stimulating jobs. Unemployed Swedes were interviewed at the beginning of, and again at the end of, 1997 when the labour market had changed for some of them. Nordenmark concludes that changes in employment commitment between 1996 and 1997 were primarily due to the labour market situation in 1997, and that labour market motivation is not a major determinant in the likelihood of gaining paid employment. In other words, levels of employment commitment are determined by employment status, and not the other way round.

As with LoC, employment commitment could contribute to the understanding of worklessness, but with only limited explanatory power on its own. Also, Nordenmark’s findings indicate that employment commitment can be affected as a consequence of unemployment. Furthermore, there is nothing in the theories that directly relate to people who have never worked or have erratic labour histories.

3.6 Theory of planned behaviour

The theory of planned behaviour (Ajzen, 1991) examines how individual attitudes, subjective norms and beliefs about individual control combine to influence intentions and actual behaviour. When trying to predict how an individual will behave in a given situation, research has demonstrated that general dispositions, attitudes, personality traits etc. are poor predictors of specific behaviours. (An example of this would be the inconsistent findings with regard to LoC.) This is because a) such general dispositional descriptions are ‘broad brush’ and arguably a fairly simplistic way of representing an individual, and b) the factors influencing an individual in any given situation are complex and multifaceted; generic predispositions such as having a high internal LoC might be relevant or not, depending on the situation and the other factors at play and the extent to which things are within or without the individual’s control.
The theory of planned behaviour (TPB) attempts to understand and predict behaviour in specific contexts, by taking into account general dispositions and the factors that influence an individual in a given situation. TPB considers:

1 **Behavioural beliefs**: (an individual’s beliefs about the likely outcome of a behaviour) and their attitude towards the behaviour (ie the positive or negative value attached to performing the behaviour).

2 **Normative beliefs**: (the way others important to me expect me to behave and my motivation to comply with their expectations) and the subjective norm (the perceived social pressure to behave in a certain way).

3 **Control beliefs**: (how easy or difficult it will be for me to perform the behaviour) and perceived behavioural control (individual’s ability to perform the behaviour).

All three elements combine to create an intention. Intentions are seen as the immediate antecedent of the behaviour, and the behaviour is the manifest observable response in a given situation, with respect to a given target. Actual behavioural control reflects the extent to which the person has the skills and resources to perform the given behaviour so impacts on perceived behavioural control and actual behaviour.

Meta-analysis of 185 studies has shown that the extent to which individuals believe that they have control over a situation (ie their perception of their ability to perform the behaviour) is important in determining their intention with regard to a behaviour and the behaviour itself (Armitage and Conner 2001). In fact, individuals’ perception of their control (or ability to perform a behaviour) is more important than their actual control, in determining how they behave (Sheeran Trafimow and Armitage, 2003). An examination of the attitudes and intentions of homeless people to outreach service programmes (Christian and Armitage, 2002) found that attitudes were the dominant predictor of behavioural intentions, and intention and perceived control were predictive of behaviour. Contrary to expectations, norms were also found to impact on behaviour. The authors suggest that a better understanding of norms on behaviour and looking at social groups would aid understanding of behaviour among stigmatised populations.

At the individual level, control (LoC) has been found to have an important (if inconsistent) explanatory role in job-seeking behaviour and adjustment to unemployment. Attitudes (such as employment commitment) and norms discussed in preceding sub-sections seem to be important factors in understanding worklessness. The TPB, therefore, potentially provides a framework for understanding how these three important factors combine to predict behaviour in workless populations or individuals.
3.7 The vitamin model

Overall, the results from the psychology literature, in so far as they can be applied to worklessness, suggest that looking at single variables such as employment commitment, LoC, and mental health is unlikely to provide much insight into the causes and consequences of worklessness. More recent research which attempts to understand the combined influence and inter-relationships of a range of factors such as TPB or Wanberg et al.’s study (1999), which brings together motivation, competence and constraint, look more likely routes to understanding the complexities of worklessness. A final model which has been used extensively in research on work, unemployment and mental health is Warr’s vitamin model (Warr, 1994). More recently, this approach has been used in conjunction with role preference to study the well-being of older people both retired and in employment. Parallels from this work can be drawn with the concepts that are likely to improve understanding of worklessness.

Warr (1994) identifies nine environmental features that are known in general to be associated with well-being (see Table 3.1). Central to the model, therefore, is that unemployment has a significant impact, not just through the loss of income, but through the loss of other desirable elements of mental well-being. Warr proposes that any particular environment may be characterised in those nine terms, with their degree of relative significance changing in different sets of circumstances, including underemployment. The vitamin model was criticised for specifically ignoring an individual’s employment commitment, and generally for not dealing with how a person’s social environment interacts with his or her meanings and interpretation of experiences (Ezzy, 1993).

Table 3.1 Components of the vitamin model

<table>
<thead>
<tr>
<th>Warr (1994) nine environmental features of vitamin model:</th>
<th>Warr et al. (2004) addition of:</th>
</tr>
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<tbody>
<tr>
<td>- opportunity for personal control</td>
<td>- influence of personal preference, measured using non-financial commitment</td>
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<tr>
<td>- opportunity for skill use scale</td>
<td></td>
</tr>
<tr>
<td>- externally generated goals</td>
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<td>- variety</td>
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<td>- physical security</td>
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<td>- opportunity for interpersonal contact</td>
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<td>- valued social position</td>
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Recent research (Warr, Butcher, Robertson and Callinan, 2004) has combined the vitamin model approach with the influence of personal preference to examine well-being in older people as a function of employment, retirement, environmental characteristics and role preference. Role preference is measured using a non-
financial employment commitment scale. In younger samples (up to the age of 50) non-financial employment commitment has been found to predict well-being during unemployment. Those with high employment commitment experience lower well-being during unemployment and their well-being changes more on transition into, or out of, a job than that of individuals with lower employment commitment does (Nordenmark, 1999).

The approach taken by Warr et al. (2004) includes both environmental characteristics and personal preferences in understanding well-being in older people and has obvious parallels for understanding well-being in worklessness. Their findings indicate that well-being at older ages is a function of personal role preference as well as actual role and that preference is mediated by differences in perceived environmental characteristics.

Translating this to a worklessness context, it suggests that well-being during worklessness will be determined by both personal role preference and perceived environmental characteristics. It could be hypothesised that those who are workless will have poorer mental health in conditions where they would prefer to be employed and perceive their environment as impoverished. In contrast, those workless individuals who have low employment commitment and score more highly in terms of the nine environmental characteristics covered in the vitamin model are more likely to experience better levels of psychological well-being (compared to other workless people).

3.8 The rationalities of economic decision-making

The way that behaviour influences participation in employment has also been analysed through theories of economic rationality. A simple model of economic decision-making is ‘rational economic man’ where an individual rationally seeks to maximise their welfare based on cost-benefit calculations of the expected rewards of being in the formal labour market. The assumptions of this model are rarely fully met as there are often large gaps in the information available to individuals. This has led economists to focus on ‘bounded rationality’ which argues that people are rational within the boundaries of their knowledge and abilities. However, the model’s assumptions about human motivation can also often be wrong, and it fails to consider the wider social environment in which people live, for example, being subject to peer pressure (Halpern et al., 2004).

In reality, it may not be rational for individuals to choose to work in the formal economy for a number of (often inter-related) reasons:

- a lack of opportunities in the formal labour market;
- a lack of information about the financial rewards from formal employment (eg tax credits);
higher financial gains from working in the informal economy than the formal one;
being motivated by things other than just financial gain (eg peer group respect).
It may also be more rational for individuals to claim benefits rather than take part in any paid work, whether in the formal or informal economy, for reasons of other than just economic rationality.

Behaviour that is seen by some as characteristic of an ‘underclass’ such as increases in drug taking and early pregnancy have been argued by others to be rational adaptations to lives without prospects of formal employment, or any other way of building self-esteem or gaining peer group respect (Bourgois, 1995; Fernandez-Kelly, 1994; Kasarda, 1990). For some, claiming benefits and working informally may draw more respect and kudos than deriving a similar income through poor-quality work (Furlong and Cartmel, 2004).

Poor opportunities in the formal labour market and a need to make ends meet may lead to participation in the informal economy (Furlong and Cartmel, 2004). Inadequate benefits can lead to some individuals being forced to concentrate on surviving rather than on searching for formal employment, and engagement in working ‘on the side’ or in drug dealing can put more distance between some young men and the labour market (Furlong and Cartmel, 2004). Having a criminal record also makes getting formal employment more difficult (Furlong and Cartmel, 2004; Metcalf et al., 2001). There may also be a lack of awareness of the financial benefits of formal employment such as tax credits, whilst for some, the financial rewards of working in the informal economy may be greater than the rewards from low-paid opportunities in the formal economy.

In the late 1970s, Jahoda’s examination of the psychological impact of unemployment suggested that the psychological needs met mostly at that time by formal employment could be met by the development of an informal economy, and argued the need for more research on the issue (Jahoda, 1979). In his report for the Chancellor, Lord Grabiner QC emphasised that there can be an economic logic to working in the informal economy as real and immediate financial gains are set against longer-term and more difficult to quantify disadvantages (HM Treasury, 2000). Having short-time span horizons can be considered as characteristic of poverty of aspiration.

There are a number of reasons that people work in the informal economy and their motivations may change over time (Social Exclusion Unit, 2004a):

• Some start out doing small bits of work and find it grows into a business.
• Some set out to start an enterprise but do not believe they can afford to pay taxes or come off benefits.
• Many people limit the amount of work they do or the money they earn to stay undetected.
• Some people have difficulty understanding or complying with complex regulations and the need to keep formal records, and do not know how to ‘go legit’.
As well as cases of a lack of formal employment, cases of limited information about the financial rewards of formal employment, and cases of it being more financially lucrative to work in the informal economy, there may also be individuals motivated by things other than just financial gain. Duncan and Edwards (1997) argue that economic rationality may be determined by non-market criteria about what is socially right. They argue that rather than assuming a ‘rational economic man’ model, when considering how lone parents make decisions about whether to move into formal employment it is more useful to think in terms of ‘gendered moral rationalities’. This perspective argues that economic action is embedded in the structures of personal life, as lone parents make decisions on the basis of what their responsibilities towards their children are, how their behaviour will affect their children, what others expect of them as parents as well as economic breadwinners (Duncan and Edwards, 1997; Oliker, 1995).

In terms of mental well-being, it may be more stressful to be in inadequate work than remain workless. A labour market characterised by insecurity of job tenure and low pay may not provide the mental well-being traditionally associated with the formal employment of the 1950s and 1960s. Taking into account the decline of stigma attached to unemployment, community acceptance of unemployment or informal working, and lack of aspiration, one finds a potent mix of factors that require policy makers to re-think rational choice arguments about the economic rationality of formal employment.
4 Understanding worklessness at the community-level

4.1 The underclass thesis and cultures of worklessness

The term underclass was originally used by Myrdal in 1962 to describe those marginalised and shut out of the labour market due to structural economic change. In the 1980s it was taken on by the New Right in both the US and the UK to describe an undeserving poor with intergenerational anti-social pathologies (Robinson and Gregson, 1993). The racist underpinnings of some of the US work on the underclass were exposed by the publication of ‘the Bell Curve’, which supposedly demonstrated the link between race and intelligence (Herrnstein and Murray, 1994). Nevertheless, the concept of an underclass became popular in the UK through articles written by Murray describing a British underclass which was allegedly growing rapidly, based on illegitimacy, crime and unemployment (Lister, 1996).

These understandings of an underclass caused by individual and behavioural problems fail to take into account the structural causes of worklessness. Behavioural changes such as drug-taking, early pregnancy and an increase in never-married mothers described by underclass theorists are more likely to be a response to structural, social and economic changes that have led to the unravelling of communities, rather than a growth of deliberate irresponsible behaviour among individuals (Hughes, 1990; Robinson and Gregson, 1993; Wilson, 1987). It has been suggested, for example, that the increase in mother-only families has been partly caused by women confronting a shrinking pool of economically stable ‘marriageable’ men (Wilson, 1987), whilst increases in drug taking and early pregnancy may have become rational adaptations to lives without prospects of employment (Bourgois, 1995; Fernandez-Kelly, 1994; Kasarda, 1990).

In recent literature there has been discussion about whether there is a ‘culture of worklessness’ in certain communities in the UK. Research in Salford, commissioned by the Department of Work and Pensions, identified a culture of benefit dependence where people felt losing benefits undermined their long-term security (Department
for Work and Pensions, 2003). Interviews with Jobcentre Plus staff in Salford revealed a reluctance among some customers towards work and job seeking in an area where the informal economy proved to be a strong pull factor. Community factors here were said to contribute towards a ‘poverty of aspiration’ (ibid.).

Another research project which looked at three housing estates in distinct regions found similar problem issues and attitudes spanning each of them. An ‘estate effect’ was identified as influencing the attitudes of residents toward welfare, work, crime, drugs and education (Page, 2000). For some young respondents there was less incentive to find employment because they had plenty of unemployed friends to socialise with. Peer group pressure on children was said to be very powerful and in some cases hard for parents to challenge. Antisocial behaviour was seen as a form of conformity within the group. This research found that particularly in the two estates located outside of London, residents did not perceive joblessness to be problematic and were more concerned with issues on the estate than the world outside. Other similar research, however, has found no evidence for the ‘estate as universe’ attitude (Atkinson and Kintrea, 2001).

A recent study by the Social Exclusion Unit (2004a) found no consistent evidence of cultures of worklessness where people have different values and do not want to work at all. They found that some local areas with high rates of worklessness had strong communities and identities, but others (especially those with a high turnover of residents) could not be said to have a local ‘culture’ at all. That said, the report states that in concentrations of worklessness, where there is less social contact with working people, low aspirations, short-term perspectives on careers and unfavourable views of available jobs tend to be more prevalent.

4.2 Intergenerational transmissions of worklessness

The intergenerational impact of worklessness has formed an important aspect of debates around the culture of worklessness. Expectations of parents and community impact significantly upon social mobility and career choice (Halpern et al., 2004). Findings from Page’s research suggest that children in workless households with no links to the ‘normal’ working world were less likely to aspire to gain employment (Page, 2000). Because economic and social exclusion deeply influence the aspirations of school children in relation to the labour market it has been suggested that young people need counselling to off-set this disadvantage (McGregor and McConnachie, 1995).

Education can be regarded as a major instrument in the transmission of deprivation, with Such and Walker arguing that the education system in the UK fails to prevent the intergenerational replication of inequalities and may in fact perpetuate them; in effect trapping the disadvantaged (2002). Analysis of aggregate data of exam success rates alongside socio-economic characteristics showed that the worst results were in inner cities, places of high deprivation and pockets of unemployment (Gordon, 1996). The study found that lower exam success rates were largely the result of high rates of school truancy in those areas. Gordon suggests that initiatives
to improve pupils’ attendance at school would be valuable in breaking the cycle of
disadvantage. (Gordon, 1996).

An examination of whether there is an association between childhood and adult
psychosocial adjustment found that socio-economic position and circumstance
affect behaviour adjustment during childhood and adolescence, and that these
effects are reflected in adult psychosocial functioning. Parental social class at birth
influences the level of subsequent behavioural adjustment, and the detrimental
effect is then carried forward into the future. This negative chain effect can hinder
the psychosocial adjustment of the young person, and ultimately impede adult
psychosocial functioning (Schoon et al., 2003).

These issues can be viewed within the wider context of debates around transmitted
poverty that have been ongoing amongst policy makers and researchers over the
last 120 years. There have been a variety of theories about the existence of an
intergenerational underclass, variously labelled: ‘social problem group’, ‘cycle of
deprivation’, ‘problem families’, ‘transmitted deprivation’, and ‘culture of poverty’
(Welshman, 2002). Arguably, there is not enough evidence to support theories of
transmitted deprivation, partly because it is very difficult to unpack the inter-
relationship of education, low income, parenting skills and unemployment (Such
and Walker, 2002). Furthermore, it should be noted that:

‘The vast majority of children from deprived households move ahead of their parents
in terms of occupational class and earnings.’ (Such and Walker, 2002, p190).

However, those who do not manage to move ahead socially and out of an area,
increase the proportion of low-income people with a family history of deprivation
and this results in a spatial concentration of multigenerational low-income families
(Such and Walker, 2002).
5.1 Geographical concentrations of worklessness

5.1 The changing geography of employment

A recent report by the Social Exclusion Unit has shown that the British population has become increasingly geographically polarised in terms of employment. Concentrations of worklessness occur in all parts of the country, with only 20 of the 354 local authorities in England not having a concentration of worklessness\(^{11}\) (Social Exclusion Unit, 2004a). However, six out of ten are in the North East, North West, and Yorkshire and the Humber, and one in ten is in London, and they are disproportionately found in local authorities classed as either ‘mining/manufacturing’ or ‘cities/services’. Worklessness is 23 times higher in the worst tenth of streets than in the best. Thirty per cent of adults are out of work and on benefits in the worst tenth, compared to just one per cent in the best (Social Exclusion Unit, 2004a). This spatial polarisation is also shown in the 2001 Census Atlas of the UK (Dorling and Thomas 2004).

In the UK producer service sector, growth has occurred in the South East region away from the heartlands of industrialisation (Allen, 1999); manufacturing and mining have declined in much of the rest of the country, particularly in old industrial regions such as the North, South Wales and the East Midlands (Hudson and Williams, 1989). Although some new industrial spaces have developed in old manufacturing regions (Tickell and Peck, 1992), many of those formerly employed have been left trapped in de-industrialised locations unable to afford to move or commute to low-paid jobs in distant parts of their local labour market. These labour

\(^{11}\) Defined as the ten per cent of census output areas with the highest rates of people on certain working-age benefits.
Geographical concentrations of worklessness

Markets have become both occupationally and spatially segregated (Martin, 2000). Areas such as the South Wales Valleys have seen a rise in economic inactivity following large-scale redundancies amongst industrial workers and miners, with an increase in the numbers of people on Incapacity Benefit (O’Leary et al., 2003).

There has been a growing economic disparity between cities and the rest of the UK. While the fall in manufacturing jobs has hit cities hardest, the growth rate of employment in services has been much higher in towns and rural areas than cities (Turok, 1999). Although there has been little change in recorded unemployment in cities in the 1980s and 1990s there has been a heavy loss of male unemployment hidden by a decline in economic activity rates and furthermore out-migration has imposed environmental and economic costs on the areas left behind. Some cities are characterised by concentrations of worklessness despite high numbers of vacancies (HM Treasury, 2003). However, worklessness is not exclusively a problem in cities. A recent report on the economies of seaside towns found that whilst there has been strong employment growth in seaside towns between 1971 and 2001, in-migration to seaside towns is outstripping local employment growth and there is extensive joblessness in seaside towns beyond recorded claimant unemployment (Beatty and Fothergill, 2003). Social exclusion and worklessness also exists in rural areas, often in a more spatially dispersed form than is found in cities (DEFRA, 2004) and hidden unemployment is an issue in some rural areas (Beatty and Fothergill, 1996).

5.2 Spatial mismatch

In the US, plant closings led to mass unemployment and spatial concentrations of poverty in inner-city neighbourhoods where black people were abandoned by ‘white flight’, and were unable to afford to move, and prevented from doing so by discrimination by landlords and estate agents in the housing market (Fainstein, 1993; Field, 1989; Kasarda, 1990; Morris, 1993). This led to a ‘spatial mismatch’ between these communities and employment growth in suburban areas that are often inaccessible by public transport, or involve excessive costs and time to reach (Wilson, 1996). In the UK context, this spatial mismatch also operates in geographical reverse, as large public housing estates on the outskirts of UK cities house communities that are similarly isolated from employment located in city centres, or employment in other areas of the city (Lawless et al., 1998).

According to research by the Social Exclusion Unit, poor transport can reinforce social exclusion and be a key barrier to employment (Social Exclusion Unit, 2003). It points out that employment sites and services have been developed without giving sufficient attention to accessibility. Society has increasingly become organised around the car, disadvantaging those without one: ‘People in low income households depend primarily on walking to get around, but also on buses’ (Social Exclusion Unit, 2003). De-regulation of bus services in 1985 has resulted in the reduction or cessation of unprofitable routes and the rise of fares by one-third. These issues are illustrated in Salford, where a new retail complex has been developed that is difficult
to access without a car and effectively excludes people from poorer areas from working at, or visiting, the site. Low-quality bus services across Salford have been identified as a barrier to work (Department for Work and Pensions, 2003). Investment in public transport can help to rectify spatial mismatches between job vacancies and workers with the right skills (Houston, 1998). Information also has an important role to play in countering the ‘perception gap’ that stops some individuals from widening their mental map of the labour market (Green and Shuttleworth, 2004).

Gender differences are also important in the structuring of local labour markets. The gender division of unpaid work means that women responsible for childcare arrangements often have shorter commuting distances than men, so that they are able to combine work and childcare arrangements, and their labour markets and employment opportunities are, therefore, spatially restricted (Hanson and Pratt, 1992; Hanson and Pratt, 1995; Odland and Ellis, 1998).

5.3 The relationship between living in deprived areas and worklessness

Whether people are disadvantaged by where they live, or whether they live where they do because they are disadvantaged, is debated in the literature. The view of Cheshire et al. is that ‘the poor are not poor because of where they live; rather they live where they do because they are poor’ (2003, p85). Since 1980, there has been a strong association between poverty and social housing. Analysis of the General Household Survey shows that in 1979, half of the residents of social housing were in the lowest 40 per cent of incomes; in 1994 the number rose to three-quarters of the residents (Page, 2000). Residential sorting means that richer households seek areas with higher concentrations of other rich households with better amenities and services, and outbid poor households:

‘Increasing neighbourhood segregation with increasing income inequality is, therefore, a self-reinforcing process.’

(Cheshire et al., 2003, p85).

Groups such as the young, unskilled, ethnic minorities, and those with disabilities are over represented in inner city areas, most probably a consequence of the British housing market (Lawless, 1995). Those in public sector housing are least able to relocate to suburban areas where job opportunities may be greater.

It is important to note that when residents of deprived areas increase their employability, the likelihood increases that they will move to better neighbourhoods. Therefore, it is insufficient to judge the success of, for example, a pilot tackling worklessness in terms of the unemployment rate of the residents at the end of the project (Cheshire et al., 2003). It may be more logical to examine individual outcomes, or flow into, and out of, the neighbourhood, and/or consider the need for a policy to persuade people to stay in the area.
Primary research undertaken by Atkinson and Kintrea (2001), however, supports the claim that living in deprived areas in Britain creates additional problems for residents and further entrenches their disadvantage. To single out area-effects they compared the position of two pairs of deprived and socially mixed neighbourhoods through a household survey, to determine if it is worse to be poor in a poor area than a mixed one. They found that the strongest evidence supporting the area-effect thesis was the importance of area reputation in determining opportunity. Atkinson and Kintrea also observed that the greater economic context in which the neighbourhood is located has a key influence on neighbourhood outcomes. Support for the area-effect thesis has also come from the Social Exclusion Unit, who show that there are effects, independent of a person’s characteristics, that living in an area with many other people out of work has on an individual’s outcome. Living in an area where there are other workless people can damage life chances. Once people live in an area with many people out of work, their chances of finding work can be reduced simply because of where they live. This happens because of the characteristics of a place (lack of jobs, poor transport etc.) and the effect of living with other workless people (limiting the chances of finding work through friends; Social Exclusion Unit, 2004a).

A range of research material has found that the reputation of an area or housing estate can effect the job opportunities of residents: Page (2000); Dean and Hastings (2000); Speak (2000); Atkinson and Kintrea (2001); Lawless (1995); Maguire (1992) and Department for Work and Pensions (2003). In their research, Atkinson and Kintrea found that a high proportion of those living in deprived areas felt that the reputation of the area was a big hindrance to their job prospects, compared to those from socially mixed areas. Of those who named stigma as a factor affecting job opportunities, over one-third were employed and, therefore, had direct experience of the labour market and employers’ attitudes and practices (Atkinson and Kintrea, 2001).

It has been found that people tend to get out of unemployment by finding jobs through friends and acquaintances rather than via formal channels and that more unemployed people find employment though friends and personal contacts than through any other single route (Wilson, 1996; Performance and Innovation Unit, 2002). The networks and contacts that make-up social capital can facilitate job search. Bridging social capital (networks and contacts with those outside an individual’s immediate group) is particularly important. It has consequently been suggested that one of the major reasons why individuals living in poorer areas find it more difficult to move into employment, is because their peers are also unemployed (Fraser and Burchell, 2001).

Russell (1999) draws on survey data to examine the different patterns of sociability of unemployed men and women. Russell argues that a social network that is external to the labour market can have a negative effect, leading to a detachment from the world of work. Unemployed individuals’ social networks featured much higher than usual concentrations of other unemployed people and feature few
employment contacts. Russell surmised that this did not affect employment commitment, but does limit the availability of access to job information.

5.4 Tackling geographical concentrations of worklessness through stimulating the demand-side

An approach which simultaneously tackles the demand-side and the supply-side may be more effective in tackling worklessness in some areas. Recent research from think-tank IPPR challenges the Government’s emphasis on tackling unemployment and worklessness through ‘supply-side’ measures such as skills training, and its belief that re-trained unemployed people can then access jobs in neighbouring areas. It contends that this might be an appropriate response for regions such as London, but in other regions there is also a need for job creation; for an emphasis on increasing labour demand. The report promotes the need to move towards greater economic convergence in the UK (Adams et al., 2003). Many economic assessments of inner-city unemployment and worklessness also point overwhelmingly to demand deficiency as the major explanatory factor of worklessness (eg Gordon, 1988; Haughton et al., 1993; Turok, 1999). Turok notes that government regeneration policies have targeted housing, education, and police and health services, and ignored the need to increase the number of employment opportunities (ibid.). He believes that the Government is ignoring geographical differences in worklessness and spatial imbalances between demand and supply of labour. One proposed solution is to reclaim key sites for development and provide suitable infrastructure, creating demand for blue-collar workers (1999).

Intermediate labour markets (ILMs) are a diverse range of initiatives that typically provide temporary waged employment in a genuine work environment with continuous support to assist the transition. Whilst there have been many descriptive and case-study accounts of ILM provision that indicate high job entry rates and effectiveness, there have been no rigorous experimental or quasi-experimental net impact evaluation studies (Finn and Simmonds, 2003). StepUP is a UK pilot programme that provides a guaranteed job and support for 50 weeks in 20 pilot areas to those who are unemployed six months after completing their New Deal option or Intensive Activity Period on the New Deal 25 Plus. Interim findings of the evaluation suggest that StepUP is having a positive effect (Bivand et al., 2004), and in July 2005 a report will be published by the Department for Work and Pensions (DWP) evaluating StepUP using control areas to measure the impact of StepUP.

To tackle geographical concentrations of worklessness, stimulating the demand-side has to be done in such a way that local new jobs go to local people. The DWP’s report on worklessness in Salford described how the re-development of Salford Quays into a retail park created 5,000 to 6,000 jobs, most of which were filled through in-migration, with local people failing to take advantage of the opportunity (2003). Evidence from Business in the Community shows that this may not be because of the inadequacies of skill and aspiration of the local unemployed people but inadequacies in the regeneration project. It has shown that retail developments
in deprived neighbourhoods in the USA and UK can create jobs for local people if businesses work to redress negative perceptions of retail jobs and promote them as a step towards employment in the service industry (Lainé, 2002).

That people from other neighbourhoods will compete effectively for locally created jobs is not a new phenomenon. In the USA, it is recognised that ‘for every 100 jobs created in a low-income neighbourhood, only a fraction will go to local people’ (McGregor and McConnachie, 1995, p1,589). However, that is not to say that such enterprises are not beneficial to disadvantaged areas. The reduction in unemployment can be small but nevertheless significant, and steps can be taken to optimise benefits for local residents (McGregor and McConnachie, 1995). Disadvantaged neighbourhoods may be unattractive to businesses due to higher levels of crime, low employment and skills, and poor local services, but they can be promoted as a potential market where there is ‘untapped buying power’ and little competition for customers or workers (Business in the Community, 2003).

A successful example in the UK of new local jobs going to local unemployed people is the Tesco Job Guarantee Programme in Leeds. The programme sought to ensure that local unemployed people were able to access new jobs that were created by the opening of a new store in the Seacroft area of Leeds. The programme was successful and shows that a company committed to a supported route into employment can produce results that benefit all those involved (Watson et al., 2001).
6 Conclusions

Unemployment has traditionally been understood in the context of the labour market from the post-war period to the early 1970s, when it was experienced by individuals as a break from the norm of employment. The effects of unemployment on individuals and the impact it had on their identity and well-being was theorised in psychosocial models of unemployment that described the stages that an individual went through on becoming unemployed. This work was done in particular areas in a particular labour market context.

Since the early 1990s, employment levels have risen, leading to certain groups in certain areas being detached from the formal labour market despite living in a period of relatively low unemployment. These workless individuals are of working age, are not undertaking formal paid work, and are either unemployed receiving unemployment benefits, or economically inactive (they may or may not be claiming inactive benefits) or working exclusively in the informal economy. Workless individuals, therefore, have different experiences of employment and unemployment and may have different motivations, attitudes and norms of employment. Worklessness is, however, concentrated amongst particular groups, and in some cases characterised by multiple disadvantage.

Worklessness can be understood at the level of the individual, the level of the community and at the level of geographical concentrations of worklessness in certain areas. It is, therefore, necessary to move beyond traditional theories that analysed the psychosocial effects of unemployment on the individual, by bringing a number of theories together from a range of disciplines to examine worklessness at its different levels. Whilst there have been a number of reviews looking at the issues of worklessness, particularly at a spatial level, this is the first to bring together an individual focus on worklessness within the broader context. This approach has allowed a more holistic view of a complex phenomenon.

At an individual level, it is evident that unemployment impacts negatively on physical and mental well-being compared to full-time salaried employment. It is also clear that lowered well-being can then act as a barrier to re-employment. However, there is limited psychology research that directly relates to economic inactivity or people
who have been out of work for long periods of time (over three years), or who have never worked. There is also an identified gap in understanding the impact of local re-employment prospects on the well-being of workless people.

Recent research has suggested that being underemployed (for example, working part-time involuntarily or for very low pay) may have similar effects on well-being as unemployment. More research is required to understand further the relationship between well-being and work histories characterised by cycles of worklessness and low-paid insecure jobs. A labour market characterised by insecurity of job tenure and low pay may not provide the mental well-being traditionally associated with the formal employment of the 1950s and 1960s. Taking into account the decline of stigma attached to unemployment, community acceptance of unemployment or informal working, and lack of aspiration, one finds a potent mix of factors that require policy makers to re-think rational choice arguments about the economic rationality of formal employment. For these and other reasons, it may not in reality always be rational for individuals to choose to work in the formal economy.

Motivation to seek paid employment has been found variously to be affected by: familial status, human capital level, experience of past unemployment, length of unemployment, and the local labour market context. It is suggested that men with low educational attainment, no children and experience of past unemployment can become indifferent to their labour market status. However, it is unclear how far motivation can be translated into labour market outcomes.

Psychological approaches and models used to understand behaviour can aid an understanding of worklessness at the individual level. The vitamin model offers a particularly useful method of understanding the psychology of worklessness, as it allows the assessment of socio-psychological influences and contingent relationships. The model describes nine environmental factors associated with well-being that can be applied equally to unemployment, underemployment and work situations. A key feature of the model is that it combines community and social factors with personal preference in to understand the impact of labour market status on well-being of the individual.

If translated to a worklessness context, it could be hypothesised that those who are workless will have poorer mental health in conditions where they would prefer to be employed and perceive their environment as impoverished. In contrast, those workless individuals who have low employment commitment and score more highly in terms of the nine environmental characteristics covered in the vitamin model (for example, have opportunity for interpersonal contact and valued social positions) are more likely to experience better levels of psychological well-being.

Debates of the existence of an underclass, with distinct values and attitudes towards work, have been ongoing since the 1960s. More recently there has been discussion about whether there is a ‘culture of worklessness’ in certain communities in the UK. Cultures of worklessness may exist in some areas, within which worklessness, in some cases, is intergenerational but there is not sufficient evidence to substantiate
More research is required into the attitudes and behaviours of workless people as well as the perceptions of those disadvantaged in the labour market of the help available. If individuals do not break out of the cycle of worklessness experienced by their parents and they stay in deprived areas, this can lead to spatial concentrations of worklessness. Those who do break the cycle and move into employment may also move away from deprived areas.

The changing geography of employment has also led to geographical concentrations of worklessness as some areas that experienced de-industrialisation have not benefited from new economic growth. Spatial mismatches have occurred as individuals are unable to access employment located in other parts of their local labour market because childcare responsibilities or a lack of public transport confine the areas in which they can work.

Workless individuals can be restricted to living in deprived areas because of the structure of social housing. They experience compounded disadvantage because of poor reputations of areas, and the fact that their social networks may be made up of other economically inactive people. It is recognised in some literature that in certain areas there are deficiencies in the demand for labour. There are some arguments for job creation schemes in those areas, undertaken in conjunction with local people. This spatial concentration is also an important aspect of the worklessness experienced by individuals.

This literature review has shown that to fully understand the phenomenon of worklessness, it is necessary to look at individual behaviour in the broader context of the communities and areas in which these individuals live. Approaches that address only one aspect of the problem of worklessness may be undermined by the dynamics of the other issues at play.

6.1 Policy implications

Many of the studies cited in this review do not attempt, or make little attempt, to direct their analysis towards prescriptive or policy-related conclusions. Nevertheless, it is possible to draw such conclusions from this work, and some are set out below. They are well-grounded in the results presented above but – in drawing up policy implications from a diverse literature, addressing a complex real-world arena – it is recognised that others might come to different conclusions from the same empirical results. It is hoped that these conclusions will be taken in the spirit in which they are offered, that is, as a reasoned and reasonable set of inferences believed to be constructive and helpful.

It seems unarguable that in some measure the causes of persistent worklessness transcend individual psyches and purely personal psychological characteristics. Consequently, two clear implications can be suggested:

1. Firstly, policy interventions which are restricted to advice, guidance, confidence-building and motivational encouragement (or indeed to sanction, penalty and
retribution) are unlikely to be sufficient themselves to make significant quantitative inroads into workless communities. This is not to say that people who are unfamiliar with the norms of getting and holding down a job would not benefit from that kind of help, but to suggest that it is unlikely to be sufficient on a significant scale.

2 Secondly, policy measures encouraging employment which are restricted to the individual may well be undermined by family or communal pressures which discourage or disparage it. Thus, even if individuals might be better off themselves in work than outside it, that decision to work is often not made in isolation. It is often not just an economic decision, and even if taken on economic grounds, there may be familial or communal financial considerations offsetting the narrowly personal ones. The implication which could be drawn from this concerns the appropriate targeting of policy initiatives. It suggests that initiatives should properly be clustered in ways that affect both individuals and their close and influential community (peer group, friends, family, partners, neighbours, etc). In this way, not only can the regressive influence of individuals outside the initiative be reduced, but also negative role models may be displaced by positive ones as a new, work-based paradigm builds up.

The persistence of worklessness across periods of economic buoyancy and labour market opportunities suggests that the objective barriers and constraints to taking work that confront and constrain workless people are neither trivial nor simple. The research cited suggests that they are likely to be complex, multifaceted, deep-rooted and individually varied. This also suggests two clear implications:

1 Programmes which rely largely or wholly on single ‘magic-bullet’ interventions are unlikely to adequately address the needs of substantial numbers of potential jobseekers within workless communities. Whether such individuals have a number of genuine reasons for not working, or can pretend to them, the delivery agent requires a parallel set of measures, addressing these reasons in sequence. Thus, the ready accessibility of a wide range of support measures, each separately tailored to overcome these individual barriers, should be a necessary feature of the policy measures to address workless individuals and communities.

2 Related to this need for multiple forms of help is the capacity on the part of the delivery agent to invoke them in a flexible way which is appropriate to the circumstances and problems of the individuals. Of course, this presupposes a capacity for individual diagnosis and assessment, without which the variety of support on offer would serve little purpose.

It is clear that, where they have had it, the experience of work for many, categorised in this paper as workless, has often been problematic. Low human capital, poverty of aspiration, fragile health and/or antipathy to middle-class norms do not preclude people from employment. However, they can generally be relied on to restrict the experience of work to the exploitative, insecure and unpleasant underside of the labour market. It would perhaps be asking too much of a simple labour market programme to magic this away, but it is not asking too much that it should be

Conclusions
recognised. If there are limits to what a programme can achieve in this respect, it should nevertheless be recognised that:

1 the impact of labour market interventions may well be magnified when they are part of a more widespread community regeneration programme. At one extreme this could take the form of major infrastructural investment in employment black-spot towns, with overt links between the workless neighbourhoods in those towns and both short-term jobs in construction, as well more lasting ones in the shops and office developments which it produces. At the other, it might simply be a more reliable, convenient and cheap bus service to the said shops and offices. Leaving all the effort to the supply-side may simply be to ask too much of it.

2 if at least part of the aversion to work on the part of workless people is somewhat well-founded, then policy interventions will certainly not want to reinforce that aversion. It seems clear that too rigid an adherence to a ‘work-first’ and ‘numbers-led’ policy regime could help many from workless communities into jobs for which they would be ill-suited, from which they would gain little, in which they would be little better off financially, and from which they would soon leave. This implies that key components of any intervention need adequate attention paid to pre-employment preparation. This would include the acquisition of sufficient skills to access satisfactory jobs, support in retaining those jobs, and continuing support and assistance in moving on to a better one. This longer-term investment may be necessary if the unemployment-unsatisfactory employment-unemployment cycle is to be broken. The demonstration effect on peer groups in the workless community ought not to be ignored in costing such an investment.

This review has informed the evaluation of the Working Neighbourhoods Pilot, including the development of the research tools. The empirical evidence from the evaluation, which should help to bridge some of the gaps in evidence identified in this review, will be published by the Department of Work and Pensions in 2005 and 2006.
A number of different search strategies were used as part of the literature review. Existing bibliographies at IES were built on, relevant conferences were attended, and articles forwarded by the Department for Work and Pensions utilised. Electronic databases and general web-based searches were also used to identify relevant literature. It was quickly noted that ‘worklessness’ is not a term that is generally used in the research literature. Using ‘worklessness’ as a search term in Web of Science, for example, generated four articles, largely using ‘worklessness’ as a synonym for ‘unemployment’. A number of terms that could be related to the concept of worklessness were identified and used to trawl the literature. ‘Unemployment’ is far broader than the issue of interest and generated many irrelevant articles.

The search terms or words used included:

- unemployment and work centrality;
- unemployment and protestant work ethic;
- locus of control and unemployment;
- Theory of Planned Behaviour/and unemployment/and job search/and work;
- culture and unemployment;
- social norms/and unemployment;
- identity and unemployment;
- unemployment and well-being/health;
- employment commitment;
- social exchange and unemployment;
- life satisfaction and unemployment;
• joblessness;
• geography of unemployment;
• culture and poverty;
• economic inactivity;
• intergenerational poverty;
• underclass;
• spatial mismatch.

The search terms were used across a range of databases relating to different disciplines, including:

• Econlit – indexes and abstracts from economic journals, books and papers.
• PsycINFO – contains periodical articles from 1887 and books from 1987, and dissertations on psychology.
• Web of Science – contains journal articles and comprises the Arts and Humanities Citation Index, the Sciences Citation Index, the Social Sciences Citation Index, and the Index to Science and Technological Proceedings.
• ASSIA - (Applied Social Sciences Index and Abstracts) which contains references from 650 key social science journals back to 1987.
• ZETOC – contains the British Library’s Electronic Table of Contents database of over 15 million article titles derived from the 20,000 most important research journals in the world dating back to 1993.

Different online library databases were also accessed, including:

• Sussex University library.
• Brighton University library.
• The British Library.

A snowballing approach was also taken, where the bibliographies of key articles were used to identify further literature. When all avenues began to produce the same results, it was deemed that the search was saturated. Finally, an interview was conducted with Peter Warr at the Institute of Work Psychology, University of Sheffield, to confirm that areas or theories relevant to worklessness had not been omitted.
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