

Unemployment statistics from 1881 to the present day

The effect of administrative changes on the monthly unemployment statistics has recently led to fierce debate about whether the statistics accurately represent the level of unemployment. Yet, there is nothing new about administrative changes and commentators agree that statistics derived from administrative systems are a useful tool of analysis. This feature examines a century of change and how statisticians have coped with it.

By **James Denman**
and **Paul McDonald**,
Labour Market Statistics Group,
Central Statistical Office.



Photo: BBC Hulton Deutsche

STATISTICIANS IN the United Kingdom, along with their colleagues in most other developed countries, measure unemployment in two different ways. One method, which is based on administrative sources, records the number of people registered at government offices as either seeking work, or seeking work and claiming unemployment-related benefits. The other method is based on household surveys and records, among other things, the number of survey respondents who have declared that they are without a job, available for work, and looking for work.

Although a measure of unemployment has been available in this country from the Population Census on a decennial basis since 1851, a survey-based measure has only been available on a consistent basis since the early 1970s, annually since 1984, and quarterly since 1992. Unemployment statistics based on administrative sources, on the other hand, have been available on a monthly basis since 1881, and on a consistent, monthly basis since 1971. This article shows how administrative statistics on unemployment in this country have

evolved over the last century as a result of social and legislative changes, and describes how, in recent years, UK statisticians have mitigated the statistical consequences of those changes by developing a consistent 'claimant count' which allows for meaningful comparisons over time.

Administrative statistics

Unemployment statistics based on administrative sources have a long and varied history in this country and, as in many other countries in recent years, have generated a great deal of public debate. Much of the debate in this country has focused on the supposed ease with which administrative statistics can be manipulated for political gain'. Both critics and supporters agree, however, that the advantages associated with administrative statistics far outweigh their disadvantages and that, as a result, they provide a very useful tool for analysing the labour market.

Pros and cons

Statistics obtained as a by-product of administrative and operational procedures

tend to have greater *precision* than statistics obtained from household surveys, especially if they are derived from financial records. This is because they can be exposed to more rigorous quality checks, and because they are not affected by sampling errors, problems associated with non-response or partial response, or errors resulting from respondents' differing interpretations of survey questions. When set against the resources required, and the time it takes to mount special surveys, administrative statistics tend to have greater *frequency* and are usually *less costly* than statistics obtained from surveys. If recorded on a national network of computers, administrative statistics can benefit from greater *timeliness*, and they can also generate a more detailed geographical *coverage* because they are normally based on a complete rather than a sample count and can, therefore, supply robust details for the sort of areas for which survey samples are too small to provide reliable estimates. Administrative statistics can also generate, more readily, detailed information about particular *cohorts*, and about *flows* as well as stocks.

Table 1 Administrative unemployment rates: United Kingdom 1881-1995

Not seasonally adjusted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly average
1881						3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
1882	3.5	3.5	3.5	3.5	3.5	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.8
1883	2.3	2.3	2.3	2.3	2.3	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.5
1884	2.6	2.6	2.6	2.6	2.6	8.1	8.1	8.1	8.1	8.1	8.1	8.1	5.8
1885	8.1	8.1	8.1	8.1	8.1	9.3	9.3	9.3	9.3	9.3	9.3	9.3	8.8
1886	9.3	9.3	9.3	9.3	9.3	10.2	10.2	10.2	10.2	10.2	10.2	10.2	9.8
1887	10.2	10.2	10.2	10.2	10.2	7.6	7.6	7.6	7.6	7.6	7.6	7.6	8.7
1888	7.8	7.0	5.7	5.2	4.8	4.6	3.9	4.8	4.4	4.4	3.1	3.3	4.9
1889	3.1	2.8	2.2	2.0	2.0	1.8	1.7	2.5	2.1	1.8	1.5	1.7	2.1
1890	1.4	1.4	1.7	2.0	2.0	1.9	2.3	2.3	2.6	2.6	2.4	3.0	2.1
1891	3.4	2.6	2.8	2.7	3.0	2.9	3.3	4.2	4.5	4.4	3.8	4.4	3.5
1892	5.0	5.7	5.7	5.4	5.9	5.2	5.0	5.1	6.2	7.3	8.3	10.2	6.3
1893	10.0	9.5	8.7	6.9	6.2	5.8	6.2	7.1	7.3	7.3	7.2	7.9	7.5
1894	7.0	5.6	6.5	6.1	6.3	6.3	7.5	7.7	7.6	7.4	6.9	7.7	6.9
1895	8.1	7.9	6.5	6.5	6.0	5.5	5.2	5.2	4.9	4.8	4.2	4.8	5.8
1896	4.4	3.7	3.3	3.0	3.1	3.0	3.0	3.3	3.4	3.2	2.8	3.1	3.3
1897	3.1	2.7	2.2	2.2	2.0	2.5	2.5	3.4	4.2	4.5	4.6	5.1	3.3
1898	4.7	4.2	2.9	2.7	2.4	2.4	2.4	2.5	2.3	2.2	2.0	2.6	2.8
1899	2.7	2.1	2.0	1.7	2.0	1.8	1.8	2.1	2.0	1.9	1.8	2.3	2.0
1900	2.3	2.4	2.0	2.0	1.9	2.1	2.2	2.5	3.0	2.8	2.7	3.5	2.5
1901	3.5	3.4	3.1	3.4	3.0	3.0	2.9	3.4	3.2	3.2	3.3	4.2	3.3
1902	4.0	3.9	3.2	3.4	3.5	3.7	3.5	4.0	4.5	4.5	4.4	5.0	4.0
1903	4.9	4.3	3.9	3.6	3.5	3.9	4.4	5.0	5.2	5.6	5.5	6.3	4.7
1904	6.1	5.6	5.5	5.5	5.8	5.5	5.6	5.9	6.3	6.3	6.5	7.1	6.0
1905	6.3	5.7	5.2	5.2	4.7	4.8	4.7	4.9	4.8	4.6	4.3	4.5	5.0
1906	4.3	4.1	3.4	3.2	3.1	3.2	3.1	3.3	3.3	3.9	4.0	4.4	3.6
1907	3.9	3.5	3.2	2.8	3.0	3.1	3.2	3.6	4.1	4.2	4.5	5.6	3.7
1908	5.8	6.0	6.4	7.1	7.4	7.9	7.9	8.5	9.3	9.5	8.7	9.1	7.8
1909	8.7	8.4	8.2	8.2	7.9	7.9	7.9	7.7	7.4	7.1	6.5	6.6	7.7
1910	6.8	5.7	5.2	4.4	4.2	3.7	3.8	4.0	4.3	4.4	4.6	5.0	4.7
1911	3.9	3.3	3.0	2.8	2.5	3.0	2.9	3.3	2.9	2.8	2.6	3.1	3.0
1912	2.7	2.8	11.3	3.6	2.7	2.5	2.6	2.2	3.7	4.2	4.8	5.1	4.0
1913	5.0	4.4	3.5	2.8	2.7	2.8	3.1	3.1	3.4	3.6	4.1	4.6	3.6
1914	5.5	4.4	3.6	3.3	3.2	3.5	3.6	6.2	5.4	4.2	3.7	3.3	4.2
1915	2.6	2.0	1.4	1.1	0.9	0.9	1.0	0.9	0.9	0.8	0.9	1.1	1.2
1916	1.0	0.8	0.7	0.7	0.6	0.5	0.6	0.5	0.5	0.4	0.5	0.6	0.6
1917	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7
1918	0.9	0.9	1.0	1.0	0.9	0.8	0.7	0.7	0.7	0.7	0.9		0.8
1919											5.4	6.6	6.0
1920	6.1	4.4	3.6	2.8	2.7	2.6	2.7	2.9	3.8		3.5	7.9	3.9
1921	11.2	13.1	15.4	20.2	23.4	22.4	17.9	15.6	14.2	14.5	17.2	18.0	16.9
1922	17.7	17.1	16.0	15.9	14.6	13.7	13.1	12.8	12.7	12.6	13.0	12.8	14.3
1923	13.3	12.4	11.7	11.5	11.2	11.3	11.6	11.8	11.7	11.7	11.5	10.6	11.7
1924	11.9	10.6	9.8	9.7	9.4	9.3	9.8	10.5	10.6	10.9	10.8	10.7	10.3
1925	11.2	11.3	11.1	10.9	10.9	11.9	11.2	12.1	12.0	11.4	11.0	10.4	11.3
1926	11.0	10.4	9.8	9.1	14.3	14.6	14.4	14.0	13.7	13.6	13.5	11.9	12.5
1927	12.0	10.9	9.8	9.4	8.7	8.8	9.2	9.3	9.3	9.5	9.9	9.8	9.7
1928	10.7	10.4	9.5	9.5	9.8	10.7	11.6	11.5	11.3	11.7	12.1	11.1	10.8
1929	12.2	12.1	10.0	9.8	9.7	9.6	9.7	9.9	9.9	10.3	10.9	11.0	10.4
1930	12.4	12.9	13.7	14.2	15.0	15.4	16.7	17.0	17.5	18.5	18.9	19.9	16.0
1931	21.1	21.3	21.0	20.4	20.3	21.2	21.9	21.9	22.4	21.7	21.2	20.7	21.3
1932	22.2	21.9	20.8	21.3	22.0	22.2	22.8	23.0	22.8	21.9	22.2	21.6	22.1
1933	23.0	22.7	21.9	21.3	20.4	19.4	19.5	19.1	18.4	18.1	17.9	17.5	19.9
1934	18.6	18.1	17.2	16.6	16.2	16.4	16.7	16.5	16.0	16.3	16.3	16.0	16.7
1935	17.6	17.5	16.4	15.6	15.5	15.4	15.2	14.9	14.9	14.5	14.5	14.1	15.5
1936	16.2	15.3	14.2	13.6	12.8	12.8	12.4	12.0	12.1	12.0	12.0	12.0	13.1
1937	12.4	12.0	11.6	10.5	10.7	10.0	10.1	9.9	9.7	10.1	10.9	12.1	10.8
1938	13.2	13.1	12.7	12.7	12.8	13.2	12.9	12.6	12.8	12.7	13.0	12.9	12.9
1939	12.8	11.9	10.9	10.2	9.3	8.4	7.9	7.6	7.9	8.3	8.3	8.2	9.3

|| Beginning of new series.

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Table 1 Administrative unemployment rates: United Kingdom 1881-1995 *[continued]* Not seasonally adjusted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly average
1940	9.7	9.6	7.1	6.1	5.5	4.7	5.0	4.8	5.1	5.1	5.0	4.4	6.0
1941	4.5	3.7	2.8	2.5	2.3	1.9	1.7	1.6	1.4	1.3	1.2	1.2	2.2
1942	1.2	1.2	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.8
1943	0.7			0.6			0.5			0.5			0.6
1944	0.6			0.5			0.5			0.6			0.6
1945	0.8			0.7		0.7	0.9	1.0	1.4	1.8	2.1	2.2	1.3
1946	2.3	2.5	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5
1947	2.7	12.0	5.1	2.9	2.3	1.9	1.8	1.7	1.6	1.8	1.8	1.9	3.1
1948	2.2	2.2	2.0	2.0	2.0	1.9	1.5	1.6	1.5	1.6	1.7	1.7	1.8
1949	2.0	1.9	1.8	1.7	1.6	1.4	1.3	1.4	1.4	1.6	1.7	1.7	1.6
1950	1.9	1.9	1.8	1.7	1.6	1.5	1.4	1.5	1.5	1.6	1.5	1.6	1.6
1951	1.7	1.6	1.4	1.3	1.1	1.0	1.0	1.1	1.1	1.4	1.5	1.6	1.3
1952	2.0	2.1	2.3	2.4	2.4	2.3	2.1	2.1	2.0	2.1	2.1	2.1	2.2
1953	2.4	2.2	2.1	1.9	1.8	1.6	1.4	1.5	1.5	1.6	1.7	1.7	1.8
1954	1.9	2.0	1.8	1.6	1.5	1.2	1.2	1.2	1.2	1.3	1.4	1.3	1.5
1955	1.5	1.5	1.4	1.4	1.2	1.1	1.0	1.0	1.0	1.1	1.2	1.1	1.2
1956	1.4	1.4	1.4	1.3	1.2	1.1	1.2	1.3	1.2	1.3	1.3	1.5	1.3
1957	1.9	1.9	1.8	1.7	1.6	1.3	1.2	1.3	1.3	1.4	1.6	1.7	1.6
1958	2.0	2.1	2.2	2.2	2.2	2.1	2.0	2.2	2.3	2.5	2.6	2.6	2.2
1959	3.0	2.9	2.6	2.5	2.3	2.0	1.9	2.1	2.0	2.0	2.1	2.0	2.3
1960	2.2	2.1	2.0	1.9	1.6	1.5	1.4	1.5	1.5	1.6	1.7	1.8	1.7
1961	2.0	1.9	1.7	1.6	1.4	1.3	1.3	1.5	1.5	1.7	1.8	1.8	1.6
1962	2.1	2.1	2.1	2.0	2.0	1.8	1.9	2.1	2.1	2.3	2.5	2.6	2.1
1963	3.7	4.0	3.2	2.7	2.5	2.2	2.1	2.3	2.2	2.2	2.2	2.1	2.6
1964	2.3	2.1	1.9	1.9	1.7	1.5	1.5	1.7	1.6	1.6	1.6	1.6	1.7
1965	1.7	1.7	1.7	1.6	1.4	1.3	1.3	1.5	1.4	1.4	1.5	1.5	1.5
1966	1.6	1.5	1.4	1.4	1.3	1.2	1.2	1.4	1.5	1.9	2.4	2.5	1.6
1967	2.7	2.7	2.6	2.6	2.4	2.3	2.2	2.5	2.5	2.5	2.6	2.6	2.5
1968	2.8	2.8	2.6	2.6	2.5	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.5
1969	2.7	2.7	2.7	2.5	2.4	2.3	2.3	2.6	2.5	2.6	2.6	2.6	2.5
1970	2.8	2.8	2.8	2.8	2.6	2.5	2.6	2.7	2.8	2.7	2.7	2.8	2.7
1971	2.9	3.0	3.2 ^a	3.3	3.3	3.2	3.3	3.7	3.7	3.8	3.9	4.0	3.5
1972	4.2	4.2	4.2	4.2	3.8	3.5	3.6	3.8	3.8	3.6	3.5	3.4	3.8
1973	3.5	3.2	3.1	2.9	2.7	2.5	2.4	2.5	2.4	2.3	2.2	2.2	2.7
1974	2.7	2.7	2.7	2.6	2.4	2.3	2.5	2.8	2.8	2.7	2.8		2.6
1975	3.3	3.4	3.4	3.6	3.6	3.7	4.2	4.9	4.9	4.9	5.0	5.1	4.2
1976	5.5	5.5	5.4	5.4	5.3	5.6	6.1	6.3	6.1	5.8	5.7	5.7	5.7
1977	6.0	5.9	5.7	5.8	5.6	6.0	6.7	6.8	6.7	6.3	6.2	6.2	6.2
1978	6.4	6.2	6.0	6.0	5.7	6.0	6.6	6.6	6.3	5.9	5.8	5.6	6.1
1979	6.0	6.0	5.8	5.5	5.4	5.5	6.0	6.0	5.7	5.6	5.6	5.6	5.7
1980	6.1	6.2	6.1	6.3	6.2	6.9	7.8	8.3	8.4	8.5	8.9	9.3	7.4
1981	10.1	10.3	10.4	10.6	10.7	11.2	11.9	12.3	12.6	12.5	12.4	12.3	11.4
1982	12.9	12.8	12.5	12.6	12.4	12.8	13.4	13.8	14.0	13.8	12.8	13.0	13.0
1983	13.5	13.3	13.2	13.2	12.7	11.2*	11.3	11.3	11.8	11.6	11.5	11.5	12.2
1984	11.7	11.6	11.4	11.3	11.2	11.0	11.3	11.4	12.0	11.7	11.7	11.7	11.5
1985	12.0	11.9	11.7	11.7	11.6	11.4	11.6	11.6	12.0	11.8	11.7	11.7	11.7
1986	12.2	12.1	11.9	11.9	11.7	11.6	11.7	11.7	11.9	11.6	11.5	11.5	11.8
1987	11.7	11.4	11.2	11.0	10.6	10.3	10.3	10.2	10.2	9.8	9.5	9.6	10.5
1988	9.6	9.4	9.1	8.9	8.5	8.2	8.2	8.1	8.1	7.4	7.3	7.2	8.3
1989	7.2	7.0	6.8	6.6	6.3	6.1	6.2	6.1	5.9	5.7	5.6	5.7	6.3
1990	5.9	5.8	5.7	5.7	5.5	5.4	5.6	5.8	5.8	5.8	6.0	6.4	5.8
1991	6.9	7.2	7.5	7.7	7.8	7.9	8.3	8.5	8.6	8.5	8.7	8.9	8.0
1992	9.4	9.5	9.5	9.6	9.5	9.4	9.7	10.0	10.0	9.9	10.1	10.5	9.8
1993	10.8	10.8	10.6	10.6	10.3	10.1	10.4	10.5	10.3	9.9	9.8	9.8	10.3
1994	10.3	10.1	9.9	9.8	9.5	9.2	9.4	9.4	9.2	8.8	8.7	8.6	9.4
1995	8.9	8.8	8.6	8.5	8.2	8.1	8.3	8.4	8.2	7.9	7.8		

|| Beginning of new series.

* Start date for workforce-based rates.

^a From hereon, the rates exclude the "temporarily stopped".

The conceptual and definitional basis of the statistics, on the other hand, can be compromised whenever operational and administrative requirements take precedence over statistical criteria. Policy changes can lead to changes in administrative and operational procedures which can, in turn, generate unwanted **discontinuities** in the statistics. Policy changes can also affect statistics derived from household surveys in so far as such changes can affect labour market behaviour and influence respondents' answers to survey questions.

100 years of administrative statistics

The interplay between all these factors is illustrated in the tables, figures and Annex which accompany this article. These show that although administrative statistics on unemployment have been readily available, on a monthly basis, in almost every year since 1881, the range of social and legislative changes which have occurred over the years, and their effect on the definition and coverage of the unemployment statistics, preclude the possibility of these figures being treated as one continuous, comparable series. The available statistics consist, in fact, of six separate series, each of which has a different definitional and conceptual base.

Before 1912

Unemployment statistics for the period before 1912 were published in the form of rates and were compiled using the records of trade unions, only some of which were submitted to the Labour Department of the Board of Trade. These rates covered only a certain number of those trade unions which paid unemployment benefits, and showed what percentage of their membership were unemployed at the end of each month. Some trade unions had been paying benefits to their members ever since the 1840s but the tendency to do so was more prevalent among those unions whose members worked in the skilled trades. By 1912, trades unions paying benefits covered some 1.4 million members. To a large extent, therefore, the coverage of these unemployment rates depended on the rate of unionisation of the workforce in the industries covered, the degree to which unions paid benefits to the unemployed, and the propensity for these unions to submit statistical returns.

Unemployment based on this measure reached its lowest point in January 1890 when the rate stood at 1.4 per cent, and peaked in December 1892 when the rate stood at 10.2 per cent.

After 1912

Unemployment rates derived from trade union returns continued to be compiled until 1926 but the introduction of compulsory, national schemes of insurance against unemployment from 1911 onwards gave rise to a new source of statistics. When an

insured person became unemployed he or she had to lodge their insurance card with their appropriate Labour Exchange (which in 1916 was re-named the Employment Exchange). As a result, the basis for administrative statistics on unemployment was changed to become a count of the 'number of unemployment books remaining lodged' at government offices. This description was later changed to become the 'number of insured persons registered as unemployed' at government offices on the day of the monthly count.

1912 to 1916

The statistics from September 1912 to September 1916 relate to unemployed people covered by the National Insurance Act of 1911. This involved some 2¼ million manual workers aged 16 years and over in a limited number of industries in the UK in which employment was deemed to be more insecure – namely, building, construction of works, shipbuilding, mechanical engineering, ironfounding, construction of vehicles, and sawmilling. Data on levels were published on a monthly basis in *The Labour Gazette*, which was the journal of the Labour Department of the Board of Trade. But the most widely-used historical material only exists in the form of rates. These rates expressed the number of insured unemployed as a percentage of the total number of insured people.

1916 to 1920

The coverage of the unemployment statistics was extended even further when the Unemployment Insurance Act of 1916 came into operation in October. This Act brought a further 1¼ million workers within the National Insurance scheme. Statistics relating to those insured people who were unemployed between 1912 and October 1920 continued to be disseminated only in the form of rates although, as Annex A shows, there was a break in the series between December 1918 and October 1919 when large numbers of ex-servicemen and civilian workers whose war work had come to an end became temporarily unemployed.

Disregarding the years spanning the First World War, the figures for these two series show that unemployment reached its lowest point in June 1920 when the rate stood at 2.6 per cent, and peaked in December 1919 when the rate stood at 6.6 per cent.

1920 to 1948

There was a major extension to the coverage of the unemployment statistics in November 1920 when the National Insurance Act of 1920 brought an additional eight million workers within the scope of the insurance scheme. Thereafter the scheme covered the majority of manual workers, together with a large proportion of non-manual workers (earning not more

than £250 a year), bringing the total included in the National Insurance scheme to between 11 and 12 million people. Registration for employment was a condition for receipt of benefit and, as a result, the great majority of unemployed people were brought into contact with the Employment Exchanges.

The series of figures running from 1920 to June 1948 can be regarded, therefore, as a continuous series of approximately comparable figures providing a more complete measure over a much wider field. Unemployed people were included in the figures if they had signed the register on the day of the count or, if they were not required to attend at the employment exchange on that day, had signed on the last preceding 'signing day' and were not known to have found work in the meantime. Between 1921 and 1930 it was a condition for the payment of Unemployment Benefit that claimants should be "genuinely seeking work", but this criterion was difficult to define and apply in practice.

The Unemployment Insurance Act 1930, which came into force in March 1930, repealed this criterion and replaced it with the disqualification provision that a claimant should not refuse an offer of suitable employment, or fail to carry out any reasonable written directions from the Employment Exchange, "without good cause". Data on levels were published on a monthly basis in *The Labour Gazette*, but the most widely-used historical material only exists in the form of rates up to November 1922 (calculated as in earlier years). Thereafter, these data sources supplied both rates and levels.

Although the 1920 to 1948 series was fairly consistent in its coverage, the unemployment insurance scheme which existed during those years still excluded those engaged in: agriculture, horticulture and forestry (until 1936); private gardeners (until 1937); domestic servants in private households and institutions (until 1938); established civil servants; professional nurses; teachers with superannuation rights; police; the majority of the employees of the railways and the local authorities and non-manual workers earning more than £250 a year (until 1940, when non-manual workers earning between £250 and £420 a year were included). Children aged 14 and 15 were insurable from 1934 until 1947 (when the school-leaving age was raised to 15), and, until June 1940, the series also included people attending government training centres. Certain groups ceased to be insured over the period, these were: people aged 65 and over (in 1928); and women aged 60 to 64 (in 1940).

Two main series of statistics were published during this period. One series, which showed *levels* of unemployment, was based on the number of people who had signed the register at Employment Exchanges on the appointed day,

regardless of whether or not they were insured under the terms of the Unemployment Insurance Acts. This series included two categories who were also enumerated separately: registrants who, although they had not lost their jobs, were registered at Employment Exchanges because of short-time working or other temporary stoppages, and registrants, such as dock labourers, who normally obtained their livelihood by means of casual employment. The other series showed unemployment rates, and was restricted to the number of insured people registered as unemployed.

Annex A lists the legislative and administrative changes which occurred during these years. These changes would have had the effect of either increasing, or decreasing, the numbers of unemployed people who considered it worth their while to register. Disregarding the years spanning the Second World War, unemployment based on this measure reached its lowest point in September 1947 when the rate stood at 1.6 per cent (a level of 260,300) and peaked in May 1921 when the rate stood at 23.4 per cent (a level of over 2½ million).

Post-war statistics

The monthly unemployment figures underwent a further, very marked break after the war when the current, all-inclu-

sive National Insurance scheme was introduced in 1948. The National Insurance Act which came into operation on 5 July 1948 had a much wider coverage than the former Unemployment Insurance Acts because it covered all male and female employees aged 15 and over including those working part-time. All people working for pay or profit (with the exception of certain self-employed people) and all people in unpaid work under a contract of service were required to pay contributions under the scheme as Class 1 (employed) or Class 2 (self-employed) people. Those neither working for an employer nor self-employed were liable to pay Class 3 contributions, as non-employed people, unless excused. The exceptions were self-employed men aged 70 years and over, self-employed women aged 65 years and over, and self-employed married women taking the option not to be insured under the scheme.

Registrant count – 1948 to 1982

From July 1948 to October 1982, administrative unemployment statistics were based on records showing the number of people who registered themselves as unemployed either at the Ministry of Labour's Employment Exchanges (later to become Jobcentres), at Branch Employment Offices, or at Juvenile or Youth

Employment Bureaux under the control of local authorities (later to become Youth Employment Service Careers Offices). People who registered themselves as unemployed did not automatically go on to make a claim for unemployment-related benefits, but registration was a prerequisite for entitlement to either Unemployment Benefit, obtained from Unemployment Benefit Offices (UBOs) or National Assistance (which became Supplementary Benefit in 1966, or unemployment-related Income Support in 1988) obtained from offices of the Department of Social Security.

The monthly 'registrant count' was based on a clerical count of records held at local Employment Exchanges showing the number of people who had reported that they were "seeking employment", and who were accepted by staff of the Employment Exchanges or Careers Offices as being "capable of work and available for work" on the day of the monthly count "whether entitled to unemployment-related benefits or not". The criteria used by Employment Exchange officers to determine whether a registrant was "available" and "capable" on the day of the count were based on 'case law' which had developed over the years through policy decisions made by the Ministry of Labour and the Social Security Commissioners (formerly the National Assistance Board).

Photo: BBC Hulton Deutsch

Table 2 Administrative unemployment levels: United Kingdom 1922-1995

	Jan	Feb	Mar	Apr	May	Jun
1922						
1923	1,460,400	1,376,400	1,288,900	1,261,400	1,260,600	1,229,700
1924	1,322,500	1,155,900	1,057,000	1,052,500	1,022,400	1,015,400
1925	1,287,400	1,287,000	1,249,300	1,250,900	1,253,400	1,368,100
1926	1,262,400	1,184,600	1,070,000	1,034,400	1,674,800	1,698,800
1927	1,375,400	1,207,900	1,115,000	1,075,100	1,015,000	1,032,100
1928	1,199,100	1,138,600	1,062,900	1,171,300	1,143,300	1,238,900
1929	1,433,900	1,429,700	1,168,000	1,198,300	1,165,300	1,176,100
1930	1,533,700	1,582,200	1,731,100	1,751,800	1,823,200	1,946,600
1931	2,671,200	2,693,800	2,655,500	2,593,800	2,702,100	2,735,900
1932	2,793,700	2,763,700	2,627,100	2,712,400	2,804,800	2,815,700
1933	2,979,400	2,932,300	2,850,900	2,771,000	2,653,900	2,503,900
1934	2,457,200	2,383,700	2,263,800	2,208,700	2,148,500	2,149,600
1935	2,397,100	2,357,700	2,224,700	2,113,900	2,114,000	2,068,200
1936	2,230,000	2,093,900	1,948,000	1,895,100	1,768,200	1,766,400
1937	1,766,400	1,703,900	1,676,800	1,525,700	1,519,300	1,423,400
1938	1,927,000	1,907,800	1,844,600	1,842,100	1,868,800	1,894,500
1939	2,133,800	1,986,300	1,814,000	1,726,100	1,565,300	1,417,200
1940	1,602,600	1,585,900	1,193,300	1,040,300	947,800	834,200
1941	764,300	642,500	504,700	457,500	419,900	341,500
1942	224,700	215,200	160,600	148,700	136,900	124,200
1943	121,000			98,200		
1944	96,300			90,800		
1945	122,200			106,900		
1946	358,500	385,900	401,200	398,300	400,700	403,000
1947	433,100	1,911,700	805,800	456,900	358,000	296,600
1948	348,700	346,300	326,800	326,100	314,400	297,700
1949	412,900	396,700	375,300	355,900	333,600	291,100
1950	403,900	403,400	377,500	357,300	341,200	307,800
1951	366,600	334,900	305,400	280,600	240,700	214,500
1952	425,900	446,600	479,800	517,600	518,600	489,600
1953	503,300	475,500	439,000	415,500	378,000	334,500
1954	414,600	429,500	381,500	353,000	321,300	269,100
1955	335,700	318,200	307,000	296,400	256,000	242,900
1956	302,400	312,400	299,900	282,100	266,400	250,400
1957	422,500	421,500	402,700	379,200	348,100	297,100
1958	439,900	472,600	483,900	495,000	497,800	472,900
1959	666,500	652,800	591,300	568,100	518,300	449,500
1960	497,600	487,600	449,200	426,800	372,900	334,700
1961	458,000	428,800	387,200	375,400	334,800	299,400
1962	503,200	494,800	482,200	478,900	460,700	431,900
1963	861,000	932,900	747,300	644,800	592,400	516,100
1964	540,400	502,900	461,900	448,400	403,500	354,200
1965	409,100	402,000	405,700	373,900	341,600	305,300
1966	382,700	370,900	343,600	337,400	308,700	291,700
1967	641,100	644,300	610,500	610,300	581,800	539,100
1968	671,000	657,900	626,200	615,100	586,200	552,800
1969	635,823	632,535	628,460	594,494	559,891	533,802
1970	666,970	660,850	660,191	652,460	612,019	578,774
1971	731,153	760,811	737,900 ^a	752,200	752,900	724,200
1972	971,500	968,200	967,000	956,500	871,900	804,300
1973	806,300	753,300	717,200	680,800	621,700	574,600
1974	627,500	628,800	618,400	607,600	561,600	541,500
1975	771,800	791,800	802,600	845,000	850,300	866,100
1976	1,303,200	1,304,400	1,284,900	1,281,100	1,271,800	1,331,800
1977	1,448,200	1,421,800	1,383,500	1,392,300	1,341,700	1,450,100
1978	1,548,500	1,508,700	1,461,000	1,451,800	1,386,800	1,446,100
1979	1,455,300	1,451,900	1,402,300	1,340,600	1,299,300	1,343,900
1980	1,470,600	1,488,900	1,478,000	1,522,900	1,509,200	1,659,700
1981	2,419,500	2,463,300	2,484,700	2,525,200	2,558,400	2,680,500
1982	3,070,600	3,044,900	2,992,300	3,007,800	2,969,400	3,061,200
1983	3,225,216	3,199,412	3,172,390	3,169,879	3,049,351	2,983,921
1984	3,199,677	3,186,386	3,142,775	3,107,682	3,084,428	3,029,723
1985	3,340,958	3,323,676	3,267,592	3,272,565	3,240,947	3,178,582
1986	3,407,729	3,381,893	3,323,776	3,325,058	3,270,892	3,229,372
1987	3,297,236	3,225,809	3,143,370	3,107,128	2,986,453	2,905,325
1988	2,722,154	2,665,469	2,592,121	2,535,989	2,426,874	2,340,789
1989	2,074,312	2,018,179	1,960,220	1,883,581	1,802,519	1,743,141
1990	1,687,045	1,675,721	1,646,565	1,626,348	1,578,527	1,555,610
1991	1,959,747	2,045,375	2,142,073	2,198,455	2,213,784	2,241,013
1992	2,673,864	2,710,487	2,707,477	2,736,521	2,707,892	2,678,191
1993	3,062,065	3,042,614	2,996,725	3,000,511	2,916,579	2,865,020
1994	2,889,268	2,841,413	2,777,545	2,734,434	2,652,601	2,585,590
1995	2,503,353	2,458,840	2,398,305	2,375,290	2,302,281	2,254,482

^a From hereon, the figures exclude the "temporarily stopped".

Jul	Aug	Sep	Oct	Nov	Dec	Yearly average	
					1,541,500	1,541,500	1922
1,234,500	1,266,100	1,285,100	1,296,100	1,256,700	1,288,800	1,292,058	1923
1,052,500	1,152,400	1,204,800	1,247,100	1,232,700	1,319,300	1,152,875	1924
1,262,300	1,417,700	1,401,000	1,294,600	1,227,000	1,166,200	1,288,742	1925
1,664,100	1,605,700	1,581,700	1,569,100	1,545,400	1,403,100	1,441,175	1926
1,054,500	1,076,400	1,075,200	1,131,700	1,171,800	1,368,200	1,141,525	1927
1,353,800	1,367,400	1,342,500	1,420,700	1,438,500	1,565,300	1,286,858	1928
1,188,200	1,190,200	1,217,200	1,269,700	1,322,900	1,552,400	1,275,992	1929
2,071,900	2,105,900	2,230,100	2,307,800	2,358,900	2,725,000	2,014,017	1930
2,783,200	2,833,700	2,897,000	2,792,300	2,687,800	2,573,600	2,718,325	1931
2,888,600	2,935,900	2,930,300	2,816,900	2,871,800	2,795,800	2,813,058	1932
2,507,200	2,474,100	2,398,700	2,359,800	2,341,700	2,287,500	2,588,367	1933
2,185,100	2,195,200	2,143,700	2,181,600	2,185,000	2,150,700	2,221,067	1934
2,045,400	2,022,500	2,032,200	1,982,300	1,982,700	1,932,800	2,106,125	1935
1,717,100	1,678,300	1,689,700	1,677,100	1,693,900	1,702,700	1,821,700	1936
1,445,300	1,424,200	1,403,500	1,460,100	1,579,900	1,755,500	1,557,000	1937
1,875,100	1,843,300	1,880,600	1,862,700	1,911,300	1,918,600	1,881,367	1938
1,326,100	1,294,800	1,395,600	1,499,900	1,477,600	1,440,900	1,589,800	1939
906,500	867,700	903,400	904,500	862,800	774,900	1,035,325	1940
315,900	303,400	259,800	245,800	226,400	216,500	391,517	1941
124,500	132,200	122,100	118,800	114,200	107,300	144,117	1942
90,600					86,500	99,075	1943
77,900					93,300	89,575	1944
131,000			252,400	290,000	311,200	202,283	1945
386,600	389,300	383,700	388,600	390,200	391,100	389,758	1946
279,000	271,400	260,300	278,400	291,200	305,500	495,658	1947
307,800	325,000	320,800	339,000	354,700	359,000	330,525	1948
273,900	288,100	293,900	323,300	350,600	360,700	338,000	1949
296,900	312,900	308,300	327,000	326,100	330,800	341,092	1950
209,700	227,700	240,600	289,800	323,000	342,700	281,350	1951
453,800	449,100	434,100	439,800	450,300	445,100	462,525	1952
307,400	327,300	323,400	339,500	358,300	358,700	380,033	1953
249,100	267,800	263,800	281,200	293,100	289,200	317,767	1954
215,800	228,400	230,000	241,200	255,400	247,300	264,525	1955
263,400	293,000	273,000	279,400	293,400	329,700	287,125	1956
274,200	296,700	298,400	304,400	350,300	371,700	347,233	1957
450,300	484,700	514,700	551,800	575,500	571,500	500,883	1958
429,300	461,200	437,800	452,000	463,500	454,800	512,092	1959
320,500	350,200	333,200	356,600	385,000	399,500	392,817	1960
292,500	341,400	352,700	401,200	423,300	427,100	376,817	1961
435,000	498,800	498,600	532,500	579,000	603,000	499,883	1962
484,900	537,400	520,300	506,800	508,000	495,400	612,275	1963
349,000	399,100	370,400	376,300	376,800	377,500	413,367	1964
309,800	368,900	343,600	344,400	348,900	363,700	359,742	1965
293,700	345,700	370,300	468,100	576,500	601,900	390,933	1966
535,400	594,800	593,900	598,500	618,900	620,900	599,125	1967
550,900	598,300	583,100	585,600	598,600	590,300	601,333	1968
550,793	606,424	596,880	607,774	607,727	609,979	597,049	1969
607,219	644,555	665,680	633,512	638,183	657,880	639,858	1970
761,000	835,500	839,000	860,800	894,000	910,700	796,680	1971
817,700	875,100	862,400	826,300	807,100	779,800	875,650	1972
567,000	582,300	556,200	533,800	520,400	511,500	618,758	1973
574,300	661,000	649,700	640,800	653,000	661,100	618,775	1974
990,100	1,151,000	1,145,500	1,147,300	1,168,900	1,200,800	977,600	1975
1,463,500	1,502,000	1,455,700	1,377,100	1,366,500	1,371,000	1,359,417	1976
1,622,400	1,635,800	1,609,100	1,518,300	1,499,100	1,480,800	1,483,592	1977
1,585,800	1,608,300	1,517,700	1,429,500	1,392,000	1,364,300	1,475,042	1978
1,464,000	1,455,500	1,394,500	1,367,600	1,355,200	1,355,500	1,390,467	1979
1,896,600	2,001,200	2,039,500	2,062,900	2,162,900	2,244,200	1,794,717	1980
2,852,100	2,940,500	2,998,800	2,988,600	2,953,300	2,940,700	2,733,800	1981
3,190,600	3,293,200	3,343,100	3,295,100	3,063,026	3,096,997	3,119,019	1982
3,020,595	3,009,907	3,167,439	3,094,022	3,084,415	3,079,378	3,104,660	1983
3,100,529	3,115,888	3,283,640	3,225,136	3,222,586	3,219,406	3,159,821	1984
3,235,036	3,240,406	3,346,198	3,276,861	3,258,868	3,273,089	3,271,232	1985
3,279,594	3,280,106	3,332,897	3,237,154	3,216,767	3,229,167	3,292,867	1986
2,906,453	2,865,802	2,870,195	2,751,384	2,685,583	2,695,810	2,953,379	1987
2,326,703	2,291,175	2,310,973	2,118,862	2,066,944	2,046,538	2,370,383	1988
1,771,382	1,741,091	1,702,895	1,635,844	1,612,410	1,638,977	1,798,713	1989
1,623,581	1,657,776	1,673,942	1,670,620	1,728,073	1,850,381	1,664,516	1990
2,367,534	2,435,121	2,450,689	2,425,990	2,471,795	2,551,727	2,291,942	1991
2,773,967	2,845,508	2,847,366	2,814,412	2,864,069	2,983,339	2,778,591	1992
2,929,344	2,959,964	2,912,130	2,793,596	2,769,438	2,782,696	2,919,224	1993
2,643,121	2,638,267	2,580,388	2,455,044	2,423,013	2,417,046	2,636,478	1994
2,336,176	2,350,150	2,292,181	2,212,336	2,196,136			1995

|| Beginning of new series.

There were a number of categories of registrant who were either completely excluded from the official 'unemployed' figures published every month, or who were included and separately identified

a) The "temporarily stopped"

A distinction was drawn between the "wholly unemployed", who had no employer at all, and those who still had a job but who had been suspended by their employers on the understanding that they would shortly resume work. Registrants in this situation, who may have been out of work for a day, or several weeks, were available for work on the day of the count and were claiming benefit, but were not considered to be unemployed in the ordinary sense of the word because they had a job to return to. The numbers of temporarily stopped workers identified in the monthly unemployment figures tended to fluctuate between under 10,000 a month and just over 200,000 a month, although figures of this magnitude were only reached in times of exceptionally bad weather conditions (such as the winter of 1963) or severe economic disruption (such as the power shortages in 1972). A special working party set up in 1972 recommended that the "temporarily stopped" should continue to be shown separately, but should no longer be included in the total figures for the "registered unemployed".² As a result of this recommendation, from the early 1970s onwards the figures specifically excluded this category of registrant.

b) Registrants not claiming benefit and seeking only part-time work (for 30 or fewer hours per week)

This category was excluded and was mainly comprised of women deemed to have a weak attachment to the labour market.

c) Disabled people

The figures included disabled people who were classified as suitable for ordinary employment (even though they may have found difficulty in securing employment) but excluded people who were so severely handicapped that they were unlikely to obtain employment except under special sheltered conditions. The registrant count also included a number of unemployed people who would have been eligible to register as disabled under the Disabled Persons (Employment) Act 1944, but who chose not to so register. In December 1979, for instance, there were 120,000 fewer disabled people registered as unemployed and included in the monthly unemployment count, but only about 51,000 of these people were registered as disabled. Similarly, of the 12,000 severely disabled people who were registered as unemployed but excluded from the monthly count, only about 8,000 were registered as disabled. These figures reflect the fact

that there were many more disabled people than the 500,000 plus included on the Disabled Persons Register.

d) Adult students aged 18 and over

Adult students were able to register for work and claim benefits, but only if they were seeking temporary work during vacations. They were the cause of large flows on and off the unemployment register during the Christmas, Easter and summer periods. As a result of this volatility, it was decided in March 1976 that a separate count of adult students should be maintained and that they should be excluded from the main count from that date onwards.

Commentators and analysts using the unemployment series as an economic indicator were encouraged to focus on the seasonally adjusted series which covered the "wholly unemployed excluding adult students seeking vacation work", but which also excluded "school leavers", i.e. young people joining the register while looking for their first job, or a place on a training scheme.

In addition to the main monthly count, figures were available every quarter on: the number of registrant unemployed analysed by age and duration of unemployment; by industry of last employment, and by occupation. Unemployment rates were calculated by expressing the numbers of the registered unemployed as a percentage of the numbers of registered unemployed plus the latest available mid-year estimate of the number of employees in employment obtained from the Census of Employment.

Many factors may have affected the propensity of men and women to register themselves as out of work at Employment Offices or Jobcentres, including changes in the regulations concerning eligibility for benefits, principally for married women. Those not eligible for benefits will also have been influenced by other factors such as their belief in the likelihood of getting a suitable job as a result of being on the register. The establishment of the Manpower Services Commission in January 1974 and the subsequent separation of Jobcentres from Unemployment Benefit Offices led to a break in the link between registering for work and claiming benefits. The gradual spread, however, of a national network of convenient Jobcentres from May 1973 onwards may have encouraged more people to register over the years. A list of the major changes or discontinuities which affected the statistics for this period is given in Annex A.

Unemployment based on this measure reached its lowest point in July 1955 when the rate stood at 1 per cent (a level of 15,800, of whom 194,800 were "temporarily stopped"), and was at its highest point in September 1982, when the registrant count was replaced, and when the rate stood at 14 per cent (a level of 3,343,100)

Administrative statistics based on the registrant count continued for 34 years until their statistical viability was undermined in 1982 as a result of the Government's decision to implement one of the main recommendations of the 1980 Rayner report into the payment of benefits to unemployed people,³ and abolish the statutory requirement for adult claimants to register for employment at a Jobcentre in order to receive unemployment-related benefits.

The Rayner team's recommendation was based on their conclusion that the requirement for benefit claimants to register at Jobcentres was wasteful, hindered the task of helping jobseekers, and was not an effective test of availability for work. The decision to abolish statutory registration was announced in a reply to a Parliamentary Question on July 30 1981. Although the decision improved the efficiency of the employment and benefit services, it meant that, thereafter, the Jobcentre count of registrants would eventually bear no relation to the actual number of people out of work and looking for work, and would no longer provide a meaningful measure of unemployment.

Claimant count – 1982 to today

Registration for employment became voluntary from 18 October 1982 for all claimants except young people aged under 18 who were still required to register at careers offices. The following month, the basis of the monthly administrative measure of unemployment was changed from a clerical count of registrants at Jobcentres and careers offices to a largely computerised count of the number of people claiming unemployment-related benefits at Unemployment Benefit Offices (UBOs). This changeover was unavoidable, as later events were to prove. A count of Jobcentre records in subsequent years showed that, by 1986, the number of jobseekers registered at Jobcentres had fallen to 403,000 whereas the number of people claiming unemployment-related benefits had risen to 3.3 million.

Plans for automating the collection of unemployment and Jobcentre vacancy statistics had already been in train for some time, using a new computer system known as JUVOS (Joint Unemployment and Vacancy Operating System). The vacancy element within JUVOS had already been abandoned at an early stage, but the introduction of voluntary registration led to a fundamental rethink of the original JUVOS plans. Work on developing a computerised system for the unemployment statistics continued and it is this later version of the UVOS system which underpins the current set of administrative statistics known as the 'claimant count'.

From the outset, the new system was linked to the computerised system for paying benefits managed by the DHSS (now

Table 3 Claimant count rates, United Kingdom 1971-1982 (not seasonally adjusted)

Per cent

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly average
1971	3.0	3.0	3.1	3.1	3.2	3.1	3.1	3.3	3.4	3.6	3.8	3.9	3.3
1972	4.1	4.1	4.1	4.0	3.7	3.4	3.4	3.5	3.5	3.4	3.4	3.3	3.7
1973	3.3	3.1	3.0	2.8	2.6	2.4	2.3	2.4	2.3	2.2	2.2	2.1	2.6
1974	2.6	2.6	2.6	2.5	2.3	2.3	2.4	2.7	2.7	2.6	2.7	2.8	2.6
1975	3.2	3.3	3.3	3.5	3.5	3.6	4.0	4.6	4.6	4.7	4.8	4.9	4.0
1976	5.3	5.3	5.2	5.2	5.1	5.3	5.8	6.0	5.8	5.5	5.5	5.5	5.5
1977	5.8	5.7	5.5	5.5	5.3	5.7	6.3	6.4	6.3	5.9	5.9	5.8	5.8
1978	6.1	5.9	5.7	5.7	5.4	5.6	6.1	6.2	5.9	5.5	5.4	5.3	5.7
1979	5.6	5.6	5.4	5.2	5.0	5.1	5.5	5.5	5.3	5.2	5.2	5.2	5.3
1980	5.6	5.7	5.6	5.8	5.8	6.2	7.1	7.6	7.8	7.9	8.3	8.6	6.8
1981	9.4	9.6	9.7	9.8	10.0	9.9	10.4	10.7	11.4	11.5	11.5	11.5	10.5
1982	12.1	12.0	11.8	11.8	11.7	11.6	12.0	12.1	12.9	12.8	12.8	13.0	12.2

DSS) and known as the National Unemployment Benefit System or NUBS. This system processes benefits for the vast majority of unemployed claimants and holds details on their residential postcode, sex, marital status, date of birth, date of start and end of claim, and status as school leaver or student seeking vacation work.

The new count was based mainly on computerised records but also included a clerical summary of certain categories of claimants not recorded on benefit computers, such as 'quarterly attenders'. These are claimants who have accepted the option of attending benefit offices once a quarter rather than fortnightly. Most are aged over 50 and have been unemployed for over a year; some are occupational pensioners receiving credits for National Insurance contributions; others are disabled people with limited opportunities of finding work. Another type of clerical claim involves claimants for whom a National Insurance number has not been obtained. During the early years of the claimant count, non-computerised claims numbered several hundred thousand but in recent years their numbers have fallen to less than 14,000.

The move from a registrant count to claimant count in 1982 led to the following immediate changes in coverage which had the effect of reducing the level of unemployment, on average, by 112,000 (or 3.7 per cent).

a) Non-claimants

During most months of the year, and during the years prior to 1982, registrants claiming benefits accounted for the great majority (about 96 per cent) of those registered for work. With the advent of the claimant count, however, registrants who were not also claiming unemployment-related benefits were excluded from the count. This reduced the monthly count by 100,000 or more, depending on the time of the year. Non-claimant registrants became more numerous during June, July and August of each year when their numbers included school leavers who were able to register with Jobcentres in the holiday immediately following their leaving school, but could not claim until the end of that holiday in September. In view of the

size of this latter group, and their exclusion, it was decided to maintain a separate count of non-claimant school leavers.

b) Severely disabled people

Since it was not possible for staff in the UBOs to assess whether a claimant had a disability which would affect their employment, the UBO count could not separately distinguish severely disabled unemployed people from less disabled claimants. As a result, the former group were included in the figures rather than excluded, as previously. At the time of the changeover, the inclusion of this group increased the count by about 23,000.

The move from a clerical count at Jobcentres and Careers Offices to a more up-to-date, more accurate, and largely computerised count at UBOs had the additional effect of slightly lowering the level of unemployment, on average, by a further 78,000 (or 2½ per cent).⁴ This is because, at any point in time, the previous registrant count included a sizeable proportion of cases where a claimant's period of unemployment had ceased but where confirmation of termination had not been received. As a result of this discrepancy, it was decided to delay compilation of the statistics until one week after the 'reference day' for the count. This, in turn, led to the statistics being published one week later than the registrant count.

At the time of the changeover, the registrant count and the claimant count had been operating in tandem. This allowed statisticians to compile a series of historical claimant count figures running back to 1971 on a national basis, and back to 1974 on a regional basis. This was done by adjusting the former registrant count, firstly for coverage differences (for which figures were available for previous periods) and, secondly, for the changed method of counting. Historical adjustments for the changed method of counting were estimated on the basis of the figures available during the period between May and October 1982 when the registrant count and claimant count were operating in parallel.⁵ Estimates of the UK claimant count rates back to 1971, on the unadjusted basis, are

shown in table 3. These should not be confused with the seasonally adjusted *consistent* figures described later in this article.

Although it was possible to continue to produce detailed analyses of unemployment by age and duration every quarter, the move to a UBO count led to changes in the availability of occupational, industrial and geographical analyses of the unemployed. Information about claimants' occupations was not held at benefit offices and this factor, as well as resource constraints, meant that analyses by occupation and last industry had to be discontinued. Within the registrant system, local area figures were derived by combining data for each Jobcentre area. The advent of the UBO count allowed for the compilation of ward-level statistics by reference to claimants' postcode sector (the full postcode less the final two characters). Henceforth, ward-level statistics became the basic building blocks for higher levels of aggregation.

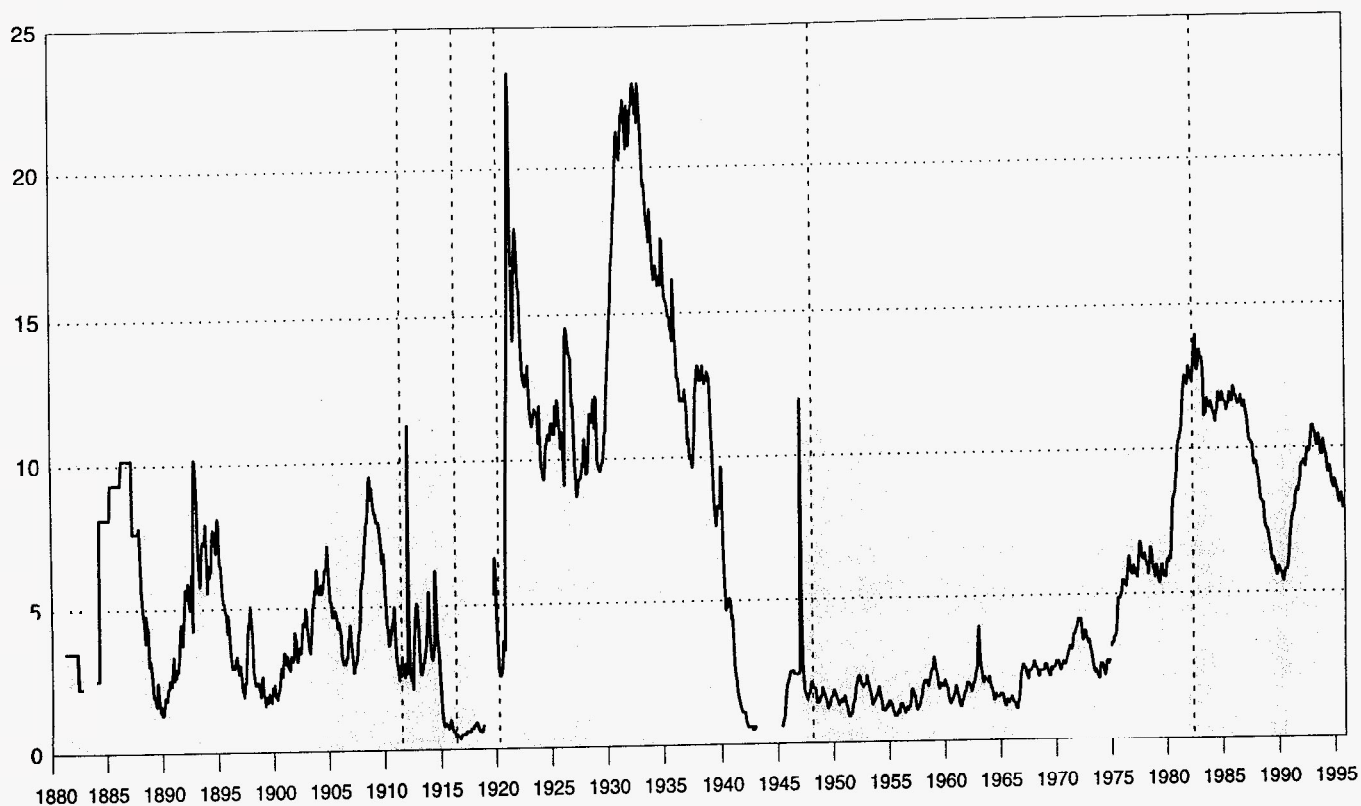
The difference between this and the previous geographical referencing system depended on the extent to which people registered in one area but lived in another. The advent of the claimant count also led to the development of a new 'Cohort' dataset which links the unemployment histories of a 5 per cent sample of individual claimants. Statisticians, however, had to wait until the early 1990s before sufficient data could be accumulated to make this a useful dataset. Further details on the Claimant Count Cohort are given in an article published in *Employment Gazette*.⁶ In addition, there are plans to reintroduce occupational data which will disaggregate claimants by their usual and sought occupation.

The existing claimant count records the number of people 'signing on' at an Employment Service local office (formerly Unemployment Benefit Office or UBO) to claim Unemployment Benefit and/or Income Support and/or National Insurance credits, and who have claimed for each day they are claiming that they were:

- out of work;
- capable of work;
- available for work, and
- actively seeking employment during the week in which that day fell.

Figure 1 United Kingdom unemployment rates 1881-1995, not seasonally adjusted

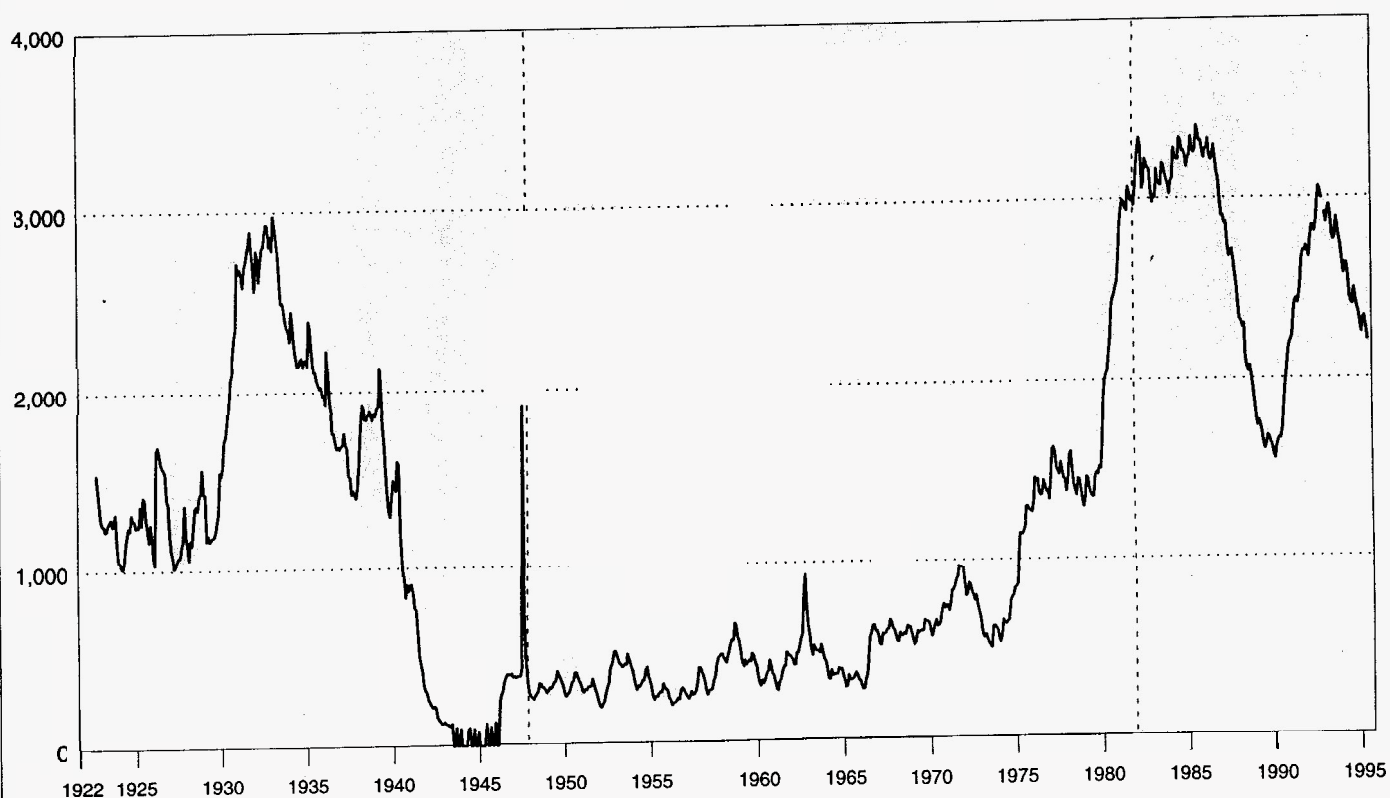
Rates (per cent)



Note: Vertical dotted lines indicate beginning of new series

Figure 2 United Kingdom unemployment levels 1922-1995, not seasonally adjusted

Levels ('000's)



Note: Vertical dotted lines indicate beginning of new series

From 1982 until 1986, claimant unemployment rates were calculated by expressing the unemployed as a percentage of the numbers of claimant unemployed plus employees in employment. In June 1986, however, the basis for calculating unemployment rates was changed to show the claimant unemployed as a percentage of the working population. This was done by widening the denominator to take into account the considerable growth in self-employment which had occurred over the preceding years.

A further minor amendment was made in July 1988 with the inclusion in the 'workforce' denominator of those on work-related, government training schemes. This followed their inclusion in the statistics of the employed workforce and was consistent with internationally agreed recommendations from the International Labour Organisation (ILO) on the treatment of such people. Since that date, claimant unemployment 'workforce' rates have been calculated by expressing the claimant unemployed as a percentage of the total of unemployed claimants, employees in employment, the self-employed, participants in work-related, government training programmes, and members of HM Armed Forces. The rates, however, shown in *table 1* are compiled on the workforce basis from June 1983 onwards. Rates on the former 'narrow' basis continue to be published elsewhere, alongside the workforce-based rates.

Unemployment based on the claimant measure, using workforce-based rates, reached its lowest point, to date, in June 1990 when the level stood at 5.9 per cent (a level of 1,555,610), and peaked in January 1986 when the rate stood at 12.2 per cent (a level of 3,407,729).

Alternative measures

Recent years have witnessed the publication of a variety of alternative, survey-based measures of unemployment. One of these survey-based measures has an even longer history than the monthly administrative measure of unemployment. Questions asking whether or not respondents were 'unemployed' appeared in the *Population Census* questionnaire for the first time in 1851, and have been a regular feature of the decennial Censuses ever since. Similar questions have also appeared in the *General Household Survey* every year since its inception in 1971 and, more recently, in the *Family Resources Survey*. More searching questions about unemployment have also been a regular feature of the *Labour Force Survey* since it began in 1973.

Until quite recently, however, and with the notable exception of the Labour Force Survey (LFS) measure, census or survey-based measures of unemployment have been available only on an infrequent basis, and the resultant estimates have borne little

relationship with the measures obtained from administrative sources. Census-based or non-LFS measures of unemployment are collected more as a classificatory variable and have tended, up to now, to incorporate less stringent criteria for determining a person's employment status, by excluding, for instance, the requirement that a respondent must be actively seeking work in order to be considered as 'unemployed'.

In the past, non-LFS, survey-based measures have also been constrained by the need to keep the relevant questions deliberately simple, and to rely on self-enumeration, and respondents' own assessment of whether or not they were unemployed.⁷ The LFS, on the other hand, has always incorporated a more rigorous measure of unemployment⁸ and, in the early 1980s, this measure of unemployment took on a much greater importance as a result of an initiative from the International Labour Organisation (ILO).

An international standard

In 1982, the ILO Bureau of Statistics set out to update the definitional recommendations covering employment, unemployment and under-employment which had been adopted by international statisticians after the Eighth International Conference of Labour Statisticians (ICLS) in 1954. One of the recommendations to emerge from the 13th ICLS held in Geneva in October 1982 was a new set of definitional guidelines for measuring unemployment. These, in turn, led to the subsequent adoption by the international community of a standard survey definition of unemployment known as the **ILO measure**.⁹ This measure has been incorporated in the UK Labour Force Survey ever since 1984 and has been available on a quarterly basis for Great Britain since spring 1992, and for Northern Ireland since winter 1994/95. An article comparing the ILO measure of unemployment with the claimant count appeared in *Employment Gazette* in October 1993.¹⁰ Further details about both measures can also be found in the booklet *How Exactly is Unemployment Measured*.¹¹

Coverage changes

As *Annex A* shows, unemployment statistics based on administrative sources have always been affected by social and legislative changes, and these changes have led to unavoidable discontinuities in the coverage of the statistics over time. The claimant count is no exception. Because the claimant series is a by-product of the administrative system used for paying benefits, the coverage of the statistics has inevitably been affected over time by changes to the benefit system which have, in turn, affected the eligibility and propensity of individuals to claim.

The actual number of changes which

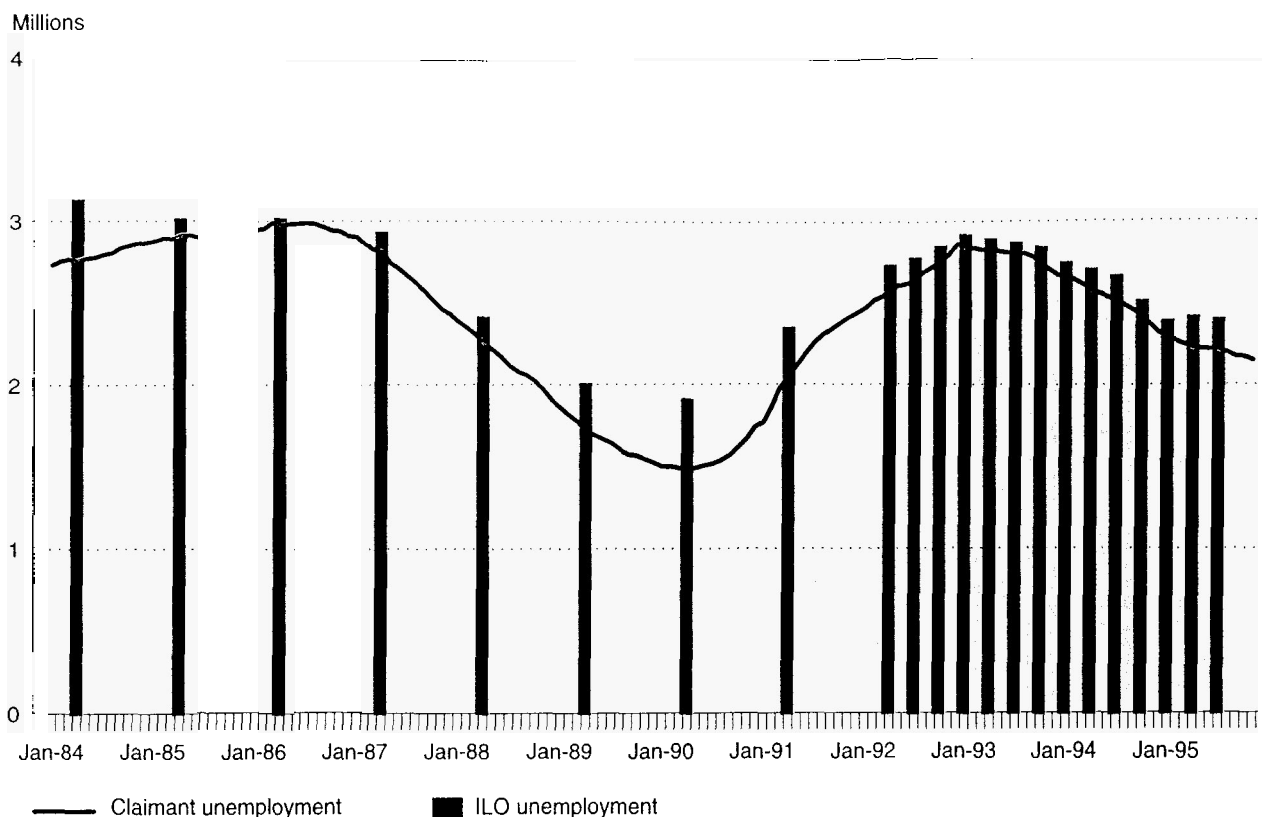
have affected the count over the years, and their impact on the count, has been a continuing source of controversy. The Unemployment Unit, for instance, claim that there have been "31 changes" which have altered the coverage of the count since 1979. CSO statisticians, on the other hand, maintain that the claimant count has been affected by only nine significant discontinuities since that year. A special report published in the first edition of *Labour Market Trends*¹² lists the main changes which have affected the monthly claimant count since 1979. It also describes the likely impact of the two most recent administrative changes: the implementation of Incapacity Benefit in April 1995, and the introduction of the Jobseeker's Allowance in October 1996.

In one sense, the claimant count is unique among the six administrative series described in this article. This is because it is the only series for which government statisticians have made a systematic attempt to allow for the effect of discontinuities over time, in order to allow users to make meaningful comparisons with the past. Every month CSO statisticians publish two measures of claimant unemployment. One series is a raw or 'unadjusted' count of the total number of people claiming unemployment-related benefits in any one month. This series reflects all the changes in coverage which have occurred over the years.

CSO statisticians also publish a second series which is described as 'Seasonally adjusted unemployment consistent with current coverage'. This series which is known as the 'SAUCCC series' is restricted to claimants aged 18 and over and reflects CSO statisticians' endeavours to allow for the effect of changes in coverage over time. It is this seasonally adjusted series on which most commentators and analysts focus their attention.

Whenever a genuine discontinuity has affected the coverage of the count and led to a loss of comparability over time, CSO statisticians have recalculated the consistent monthly series backwards in order to keep its historical coverage consistent with current enumeration procedures, and current eligibility criteria for claiming benefits. Whenever this recasting procedure is activated, the national claimant count series are recast back to 1971 and the regional series back to 1974. By adopting these recasting procedures, CSO statisticians have preserved the statistical integrity of the count. By publishing a seasonally adjusted version of this series CSO statisticians can maintain the claimant count as a valid indicator of unemployment trends. Evidence for this can be seen in *figure 3*, which compares the seasonally adjusted consistent claimant unemployment count with the seasonally adjusted ILO measure available from the quarterly LFS.

Figure 3 Seasonally adjusted unemployment, Great Britain, claimant count and labour force survey (ILO) measures compared



Conclusion

The series of unemployment statistics based on administrative sources which span the last 100 years consist of six separate series each based on a different definitional and conceptual framework. The potential coverage of these statistics has expanded from the small pool of about one million, mostly male, trade unionists which existed at the beginning of the century to today's economically active workforce of some 28 million people, a considerable number of whom are women, part-time workers and the self-employed.

The coverage of the statistics, and their interpretation over time, has been affected by a whole range of factors including changes in employment practices, changes in the degree of social and economic assistance provided to the unemployed, and changes in the range of measures designed to help unemployed people get back to work. In short, the evolution of administrative statistics on unemployment in the UK over the last 100 years has closely mirrored the development of both the welfare state and the labour market. The statistics have also reflected the gradual strengthening of the link between receiving benefit and 'looking for work'.

Changes in the criteria for claiming unemployment-related benefits introduced in the last decade – and, in particular, the "actively seeking work" requirement introduced by the Social Security Act 1989 –

have also tended to make the administrative definition of unemployment accord more closely with the internationally standard definition of unemployment recommended by the ILO and incorporated in the quarterly LFS. Although there remain significant differences in the coverage of the two official measures, both meet the essential criteria for any measure of unemployment in that both describe the condition of being out of work and available for work, and both measure the activity of seeking work. ■

Footnotes

- 1 This issue, along with a range of other matters connected with the unemployment statistics, was recently explored by a special working group set up by the Royal Statistical Society (RSS). The RSS firmly rejected the suggestion that the monthly unemployment statistics are in any way "fiddled" by government statisticians. The RSS's findings were published in 1995 in *The report of the working party on the measurement of unemployment in the UK*. Copies are available from the RSS, 12 Errol St, London EC1Y 4LX.
- 2 This inter-departmental working party was set up as a result of The Prime Minister's request for an inquiry into the nature of the unemployment statistics. One of the working party's recommendations was that the unemployment statistics should be simplified by dropping the distinction between the "total register" and the "wholly unemployed", and by excluding the "temporarily stopped" from the total figures. See *Unemployment Statistics – Report of an Inter-Departmental Working Party*. November 1972. HMSO, Cmnd.5157

- 3 In March 1980, The Secretaries of State for Employment and Health and Social Services commissioned a team of government officials working in consultation with Sir Derek Rayner to examine the administrative arrangements for delivering unemployment benefit and supplementary allowance, and to identify any changes in procedure which would increase efficiency and improve the service to unemployed people. The team's conclusions and recommendations, and the Government's response, were published in March 1980 in an HMSO report entitled *Payments of benefits to unemployed people*. Further details are given in *Employment Gazette*, April 1981, pp 197-203.
- 4 The claimant count in Northern Ireland was computerised at a later stage and so it was only from February 1994 onwards that the statistics for Northern Ireland were derived from the same JUVOS-NUBS system that was operating in Great Britain.
- 5 Further details on the estimation technique were given in *Employment Gazette*, December 1982, pp S20.
- 6 'The JUVOS Cohort: a longitudinal database of the claimant unemployed', *Employment Gazette*, September 1995, pp 345-350.
- 7 An analysis of the differences between the Census and LFS measures of unemployment is featured in *Employment Gazette*, March 1994, pp 87-96.
- 8 The original Labour Force Survey, which was conducted biennially from 1973 to 1983, used the criteria that, to be classified as unemployed, survey respondents had to have been out of work, and either seeking work in the survey reference week (or would have been looking for work if not temporarily sick or on holiday), or waiting to start a job or for the results of a job application.

- 9 The ILO definition of unemployment incorporated in the LFS from 1984, and the General Household Survey since 1991 covers those who were: without a job at the time the survey was conducted, who were available to start work in the next fortnight, and had actively looked for work in the last four weeks, or had found a job and were waiting to start.
- 10 'Measures of unemployment: the claimant count and the LFS compared', *Employment Gazette*, October 1993, pp 455-464.

- 11 Available from LMSG B1, Central Statistical Office, Level 1 Caxton House, Tothill St, London SW1H 9NF.
- 12 'The monthly claimant unemployment count: change and consistency', *Labour Market Trends*, November 1995, pp 397-400.

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Annex A

Legislative and administrative changes likely to have affected the monthly series of unemployment statistics between 1912 and 1982

September 1912 – From hereon, the monthly unemployment figures related to those covered by the first compulsory scheme of insurance against unemployment introduced by the Unemployment Insurance Act 1911. This Act applied until September 1916 and only covered certain industries involving some 2¼ million workers aged 16 and over.

January 1913 – Under the terms of the National Insurance Act 1911, Unemployment Benefit became payable for the first time on 13 January 1913.

October 1916 – The Unemployment Insurance Act 1916 came into operation bringing a further 1¼ million workers into the unemployment compensation scheme in industries likely to suffer in a slump after the war.

December 1918 to October 1919 – There was a break in the series between these two dates when considerable numbers of ex-servicemen and civilian workers whose war work had come to an end were temporarily unemployed. Many of them had no rights to benefit under the insurance scheme and a temporary arrangement was therefore made for the free grant of payments known as *Out of Work Donation*. The total number of people who would have been entitled to Unemployment Benefit when unemployed (but who claimed *Out of Work Donation* instead, as it was payable at a higher rate) was not ascertainable. It was therefore not possible to compute percentage rates of unemployment during this period, as few people made claims on the Insurance Fund. The number claiming *Out of Work Donation* peaked in May 1919 at 1,093,400. The scheme finished for civilians on 24 November 1919 and for ex-servicemen on 31 March 1921.

November 1920 – The Unemployment Insurance Act 1920 came into operation bringing the total covered by the scheme from 3½ million to between 11 and 12 millions.

December 1920 – From this month the figures included a due proportion of people working systematic short-time in such a way as to qualify for unemployment benefit.

March 1921 – The Ministry of Labour introduced 'uncovenanted' benefit for those who had exhausted their entitlement to Unemployment Benefit or who had not made an appropriate number of National Insurance contributions. Unlike *Out of Work Donation*, this was confined to those included in the insurance scheme and recipients were included in the unemployment count. The rules for entitlement to Unemployment Benefit were changed to require that those making a claim were actively seeking work.

January 1922 – Figures from this month onwards related to Great Britain and Northern Ireland, whereas previously they related to Great Britain and the whole of Ireland.

February 1922 – Uncovenanted benefit became subject to a means test, which may have had a downward effect on the count, particularly for women.

February 1924 – The removal of the means test on the grant of uncovenanted unemployment benefit to persons with other means of support, and the abolition of the three weeks' gap in the payment of uncovenanted benefit (those first covered by the Unemployment Insurance Act 1922) caused an estimated increase of 13,500 in the unemployment register in the United Kingdom as a whole.

August 1924 – The relaxation of conditions for the receipt of both standard and extended benefit (previously known as uncovenanted benefit) caused an estimated increase of 70,000 in the unemployment register. Standard benefit recipients were those who had not paid less than 20 contributions since the beginning of the insurance year next before the beginning of the benefit year in which the application for benefit is made; who possess a balance of contributions standing to their credit after a deduction has been made and have not yet received more than 26 weeks benefit in the benefit year. People in receipt of extended benefit are those who do not satisfy one or more of these three conditions.

October 1924 – Workers who, although employed on systematic short-time, were actually unemployed on the dates of the counts were included in the figures for the first time.

August 1925 – The restoration of the means test for extended benefit which had been removed in February 1924 caused an estimated reduction of 10,000 (mainly women) in the unemployment register.

May 1926 and subsequent months – The unemployment figures excluded those within the coal mining and other affected industries who were absent from work because of the General Strike but who were disqualified from benefit by virtue of the dispute.

January 1928 – People 65 and over, on becoming entitled to pensions under the Widows', Orphans' and Old Age Contributory Pensions Act 1925, ceased to be covered by the Unemployment Insurance Acts. This reduced the unemployment register by an estimated 25,000 people.

April 1928 – The Unemployment Insurance Act 1927 removed any limit on the time for which Unemployment Benefit could be paid, which caused an estimated 40,000 increase in the unemployment register.

July 1928 – The institution of the system of franking the Health Insurance Cards of people registered as unemployed caused an estimated 25,000 persons to join the unemployed register.

June 1929 – Certain classes of applicants for Unemployment Benefit were referred to local Boards of Assessors for the first time causing the unemployed register to be increased by an estimated 5,000 people.

March 1930 – Certain restrictions on the allowance of Unemployment Benefit were removed. The main change involved a repeal of the provision that an unemployed person had to prove that they were "genuinely seeking work, but unable to obtain suitable employment". Under the new Act people could be disqualified from benefit if they turned down an offer of suitable employment

or failed to carry out written directions given with a view to assist them to find work. These changes resulted in an increase in the register of about 60,000 people, although the original estimate (made in May 1930) considerably understated the eventual addition to the number recorded as unemployed, when the changes became fully operative.

Between October 1931 and May 1932 – Receipt of Unemployment Benefit was limited to 26 weeks and transitional payments (which replaced extended benefit) were replaced by a means tested benefit. Other changes related to married women, seasonal workers and part-time employees, and alterations were made to the method of reckoning the number of unemployed. The effects began to be felt in October 1931 and it is estimated that, by May 1932, the total reduction to the numbers on the unemployment register amounted to *between 180,000 and 190,000*.

January 1932 – A change in the procedure for counting unemployment among dockers caused the unemployment register to be reduced by about 11,000 people, and about 3,000 people, registered for a change of situation although still in employment, were excluded from the figures for the first time. Data on the duration of unemployment were also collected for the first time.

September 1934 – Boys and girls aged 14 and 15 were brought within the scope of the Unemployment Insurance Acts for the first time. (No estimate was made of the numbers affected.)

January 1935 – The Introduction of Unemployment Assistance, for those whose entitlement to Unemployment Benefit was exhausted, caused the unemployment register to be increased by about 20,000 people.

May 1936 – The Unemployment Insurance (Agriculture) Act 1936 extended insurance to people employed in agriculture, horticulture, and forestry. Benefits became payable to agricultural and horticultural workers from November 1936 and to private gardeners from February 1937. These categories of workers might not otherwise have registered as unemployed, but there are no precise estimates of the effect because the numbers added to the register varied according to the seasons of the year.

April 1937 – Changes in the Unemployment Assistance regulations affecting non-private domestic servants and to the rules covering occasional sickness (unemployed people who fell sick or were incapacitated were deemed to be capable and available for work) were estimated to have led to a further 20,000 registering as unemployed.

September 1937 – A revised counting procedure was introduced under which people subsequently found to be "not unemployed" at the date of the count were excluded from the figures, while people who were subsequently found to be unemployed were included. This resulted in a reduction in recorded unemployment of about 50,000 people.

April 1938/ July 1938 – In April 1938, some 242,000 institutional and outdoor

domestic workers aged 14 to 64 were brought within the scope of the Unemployment Insurance Acts for the first time. This caused a small, but unquantifiable increase in the numbers of people registered as unemployed who were included in the figures from July 1938 onwards.

September 1939 – The registration of women for war work was estimated to have led to an additional 50,000 (uninsured) women registering for work.

July 1940 – When the minimum age for receiving pensions under the Contributory Pensions Act was lowered to 60 (for women), women aged 60 to 64 ceased to be insurable against unemployment. No estimate was made of the resultant decrease in the unemployment register.

July 1940 – From this date, people taking courses at government training centres were excluded from the unemployment figures.

September 1940 – Non-manual workers earning between £250 and £420 a year became insurable for the first time.

March 1942 – Henceforth, men classified as unsuitable for ordinary industrial employment and women unsuitable for normal full-time employment were excluded from the count. The number excluded in that month was 25,000. This arrangement persisted until December 1947 when the procedure for such a classification was terminated.

February 1943 – From here until October 1945, unemployment statistics were compiled and published at quarterly intervals.

April 1947 – The raising of the school leaving age from 14 to 15 meant that boys and girls aged 14 were no longer insurable.

July 1953 – The right to extended Unemployment Benefit, the granting of which depended upon an individual's circumstances and local industrial conditions, was withdrawn. With post-war industries now established, there was no longer a need for it.

December 1965 – The Redundancy Payments Act established the payment of a lump sum to an employee made redundant and who had been in the job for more than two years after the age of 18. This administrative measure was designed to increase labour mobility, and although it did not affect the right to Unemployment Benefit which was claimed at the same time, it had the effect of increasing both the numbers claiming UB, and the numbers registering for work.

October 1966 – Under the National Insurance Act 1966, a supplement payable for six months was added to Unemployment (and sickness) Benefit. Benefits paid with the Earnings Related Supplement (ERS) amounted to one third of previous earnings up to a fixed maximum. To benefit under the scheme it was necessary first to qualify for UB. This administrative measure was designed primarily to encourage labour mobility but it also had an upward effect on the registrant unemployment count.

The same Act that introduced ERS also extended the provision of UB from 180 to 312 days. From 1966 an unemployed person received UB only for the first 12 days, UB plus ERS (if eligible) for the next six months and, thereafter, UB only for the next five months. People unemployed for over 12 months claimed supplementary benefit. These administrative measures also caused an upward effect on the registrant unemployment count.

May 1972 – Casual workers were no longer distinguished separately in the statistics.

September 1972 – The raising of the school leaving age from 15 to 16 meant that young people aged 15 could no longer register for work at careers offices.

November 1972 – Henceforth, temporarily stopped workers were excluded from the registrant unemployment count but continued to be enumerated separately.

October 1975 – The unemployment count day was changed from a Monday to a Thursday.

March 1976 – Adult students were excluded from the registrant count. This stopped the flow of over 100,000 onto and off the register. Figures on the numbers of students registering continued to be published in the unemployment press notice but they were kept separate from the unemployment figures.

May 1977 – Abolition of married women's right to pay a reduced rate of National Insurance contribution. Over the long-term, this will have had the effect of increasing women's propensity to claim benefits.

October 1979 – Weekly attendance for registration purposes was replaced by fortnightly attendance. The estimated effect was to add about 20,000 to the registrant count.

November 1981 – The higher, long-term rate of supplementary benefit was introduced for men over 60 who had been on supplementary benefit for over one year. These men, who mostly considered themselves to be retired, were no longer required to sign on as available for work in order to receive this benefit. Over the following 12-month period this removed an estimated 37,000 men from the registrant count.

Legislative and administrative changes which affected the 'claimant count' series of unemployment statistics from 1982 onwards

Readers should refer to the special report 'The monthly claimant unemployment count: change and consistency' published in the first edition of *Labour Market Trends*, November 1995, pp 397-400. This report gives a complete list of all the administrative and legislative changes which have affected the monthly unemployment figures since 1979 and those, where known, which are likely to affect the count in the next few years.