Incapacity Benefit and Unemployment

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INCAPACITY BENEFIT AND UNEMPLOYMENT

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Introduction

The central proposition in this paper is that conventional measures of unemployment in the UK are profoundly distorted by the operation of the benefits system. These distortions apply not only to the monthly 'claimant count', which has long been known to be compromised by the rules governing eligibility for benefits, but also to the supposedly internationally-standardised 'ILO' (International Labour Organisation) measure of unemployment derived from the Labour Force Survey.

More specifically, this paper argues that Incapacity Benefit, which is intended to support sick and disabled workers, has become a major mechanism hiding unemployment.

The paper begins by explaining why there is likely to be an interaction between 'sickness' and 'unemployment' benefits, and then describes the existing evidence. The core of the paper presents the results of a new survey of more than a thousand non-employed male claimants spread across seven localities. This is followed by a discussion of the scale of hidden unemployment among Incapacity Benefit claimants in different parts of the country, and of the implications for the welfare reform policies of the present government.

Incapacity Benefit and unemployment : the theory

It is not widely recognised that in the UK three main benefit systems exist in parallel to support adults of working age without jobs.

The first relates to 'unemployment'. This presently takes the form of Jobseeker's Allowance (JSA), introduced in October 1996 (1). To qualify for Jobseeker's Allowance an individual must be available for and actively seeking full-time work. Those who are unemployed for less than six months and have sufficient National Insurance contributions are entitled to 'contribution-based' JSA, which is not means-tested. Those who are unemployed for more than six months or who lack sufficient National Insurance contributions are eligible to claim 'income-based' JSA, which is means-tested. Most JSA claimants are in receipt of the income-based variant.

The second benefit system relates to 'sickness'. Incapacity Benefit (ICB), which replaced Invalidity Benefit in April 1995, is paid to people who are assessed as being incapable of work and is normally available after 28 weeks of illness or injury. It is not currently means-tested, and for those transferred across from Invalidity Benefit it is not taxable either.

The third benefit system is Income Support, which is paid to individuals who are not required to be available for work, such as lone parents. Income Support is means-tested and is also available as a top-up to some Incapacity Benefit claimants.

For present purposes the crucial comparison is between the first two systems. Incapacity Benefit is slightly more generous than Jobseeker's Allowance (2). More importantly, after six months without work, Jobseeker's Allowance is means-tested whereas Incapacity Benefit is not. For many of the long-term unemployed this differential in benefits creates an incentive to move across onto Incapacity Benefit if at all possible.

For example, if an unemployed man has a partner in work or a company pension, this household income reduces or eliminates his entitlement to income-based JSA. Substantial savings too would reduce or eliminate income-based JSA. But

if the unemployed man can secure a move across onto Incapacity Benefit he will receive this benefit irrespective of the household's other income or savings.

Added to this, the benefits system imposes fewer requirements on ICB claimants. A JSA claimant is required to 'sign on' at a Job Centre every two weeks. He or she is also required to draw up and keep to an agreed job search strategy. In contrast, although the medical tests associated with Incapacity Benefit can prove tense they are infrequent. In between there is no requirement to sign on or indeed to have any contact with the employment services.

Access to sickness-related benefits is controlled by medical practitioners. Under the old Invalidity Benefit a note from the individual's GP was sufficient. Under the present Incapacity Benefit potential claimants have to go through a more objective 'all work' test, and periodic re-tests also take place. However, many older unemployed people have picked up injuries over the course of their working lives. This is especially true of men who have worked in heavy industry. Added to this there is the effect of simply getting older.

In practice, it is therefore likely that some of the unemployed will obtain Incapacity Benefit. They may move onto it directly, or via a spell on Jobseeker's Allowance. At various times, government policy such as the 'Restart' interviews, which long-term unemployed claimants are required to attend, may have even encouraged the flow as a convenient way of reducing headline unemployment figures.

Whatever the route, the inflow of unemployed claimants need not be large in order to help build a substantial stock. ICB claimants are discouraged from looking for employment because to do so might prejudice their status as 'unfit for work' and thus their benefit entitlement. Those who are most exposed to unemployment and low wages are the least likely to move back into work. Those who remain claimants have no financial incentive to move onto other less generous benefits, especially as Incapacity Benefit itself increases after 28 and 52

weeks. Over time, therefore, a substantial proportion of the long-term unemployed are likely to accumulate as long-term ICB claimants.

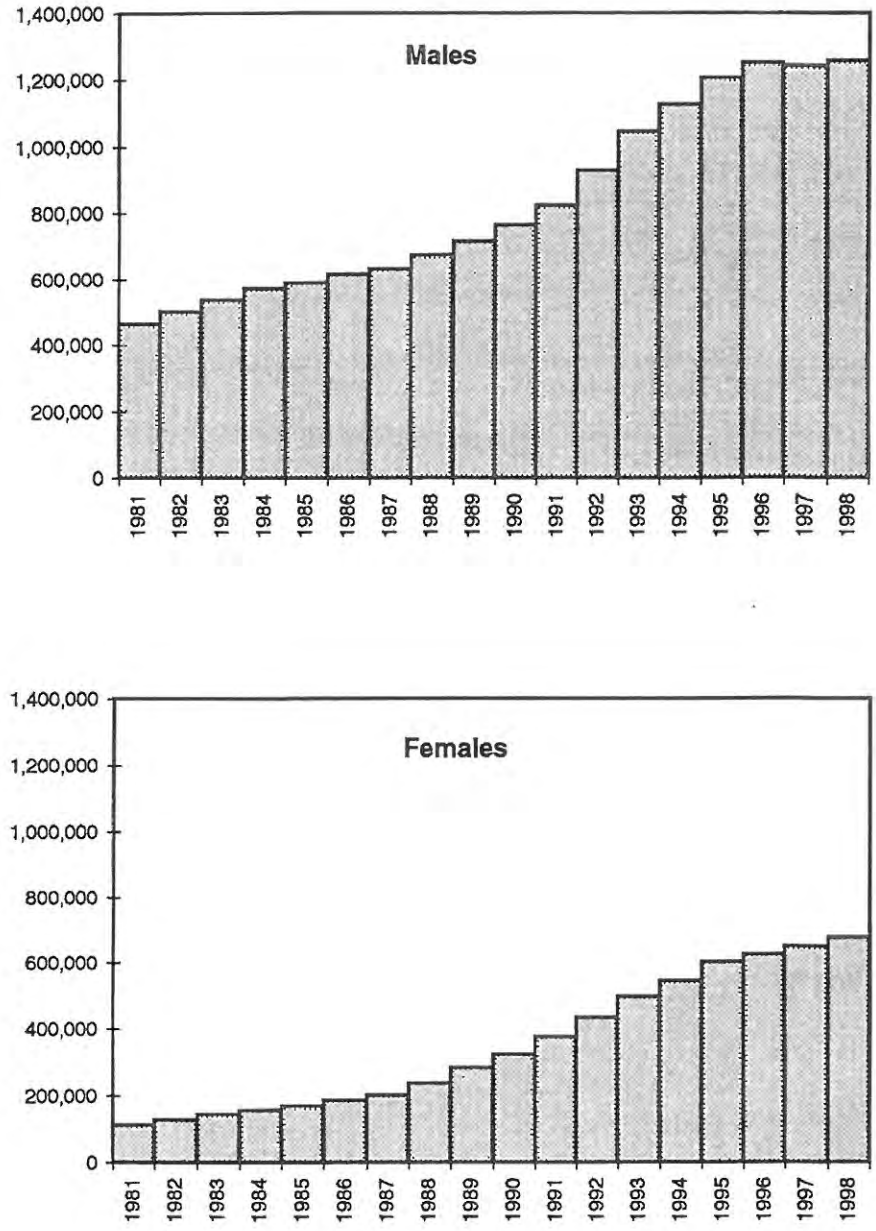
This has two effects on the measurement of unemployment. First, because ICB claimants are not receiving JSA they do not figure in the monthly claimant count. Second, because ICB claimants are not required to seek work they are likely to be omitted from the ILO measure of unemployment as well, since this defines an unemployed person as one who has actively looked for work in the last four weeks.

In putting forward this theory we are not suggesting that benefit fraud is taking place. All the individuals in receipt of Incapacity Benefit have obtained the necessary medical certification to make their claims legitimate. We are also not suggesting that the reported ailments are fictitious, though whether these health problems can in all cases be described as incapacitating, in the sense of rendering the individual entirely incapable of employment, must be questioned. What we are arguing is that the exceptionally large number of ICB claimants probably owes less to health and more to labour market conditions and the operation of the benefits system.

The existing evidence

In a previous study (Beatty, Fothergill, Gore and Herrington 1997) we put forward two important pieces of evidence in support of this theory. The first is the rise in the numbers claiming sickness-related benefits. Figure 1 shows the number of men and women of working age (16-64 for men, 16-59 for women) claiming benefit for sickness or invalidity for more than six months. In April 1981 there were 574,000 men and women in this category. The numbers recorded as long-term sick increased every subsequent year, though the rate of increase among men did tail off following the changeover from Invalidity Benefit in 1995. By April

Figure 1: Claimants of working age incapacitated by long-term* sickness and invalidity, Great Britain



*for six months or more
(Figures refer to April each year)

Source: Social Security Statistics

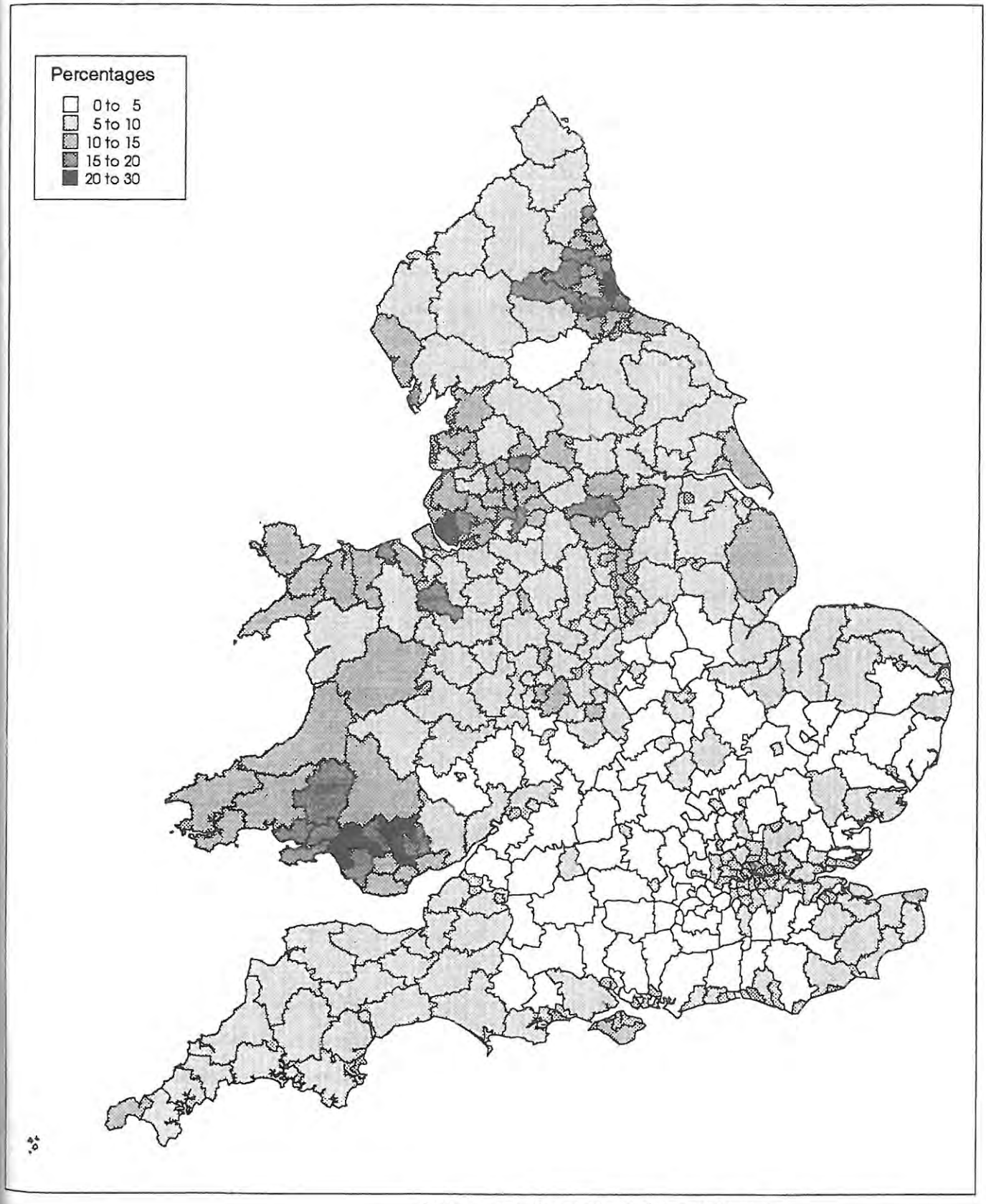
1998 the overall figure had risen to 1,932,000. Of this total, 1,257,000 were men and 675,000 women.

These are astonishing numbers. Added to this there are a further 300,000 non-employed claimants of working age receiving Severe Disablement Allowance and another 300,000 in receipt of Incapacity Benefit for less than six months. This gives a grand total of just over 2.5 million people of working age without jobs and claiming sickness-related benefits. Put another way, by 1998 the number of sickness claimants of working age exceeded the number of claimant unemployed by more than one million.

One reason why these figures point towards hidden unemployment is the sheer scale of the increase. It is inconceivable that there has been a more than three-fold increase in the level of genuine incapacitating illness in the workforce over the last decade and a half. The rise has occurred at a time when general standards of health - measured by standardised mortality rates for example - are known to be showing a slow but steady improvement. It is known that improvements in health have been less marked among the groups most vulnerable to unemployment, and that unemployment itself can have a damaging effect on health. Indeed, the General Household Survey reveals an increase in self-reported long-standing illness among adults of working age of about a quarter between 1975 and 1995 (Berthoud 1998). Even so, it seems impossible to explain away the vast increase in sickness claimants in health terms alone.

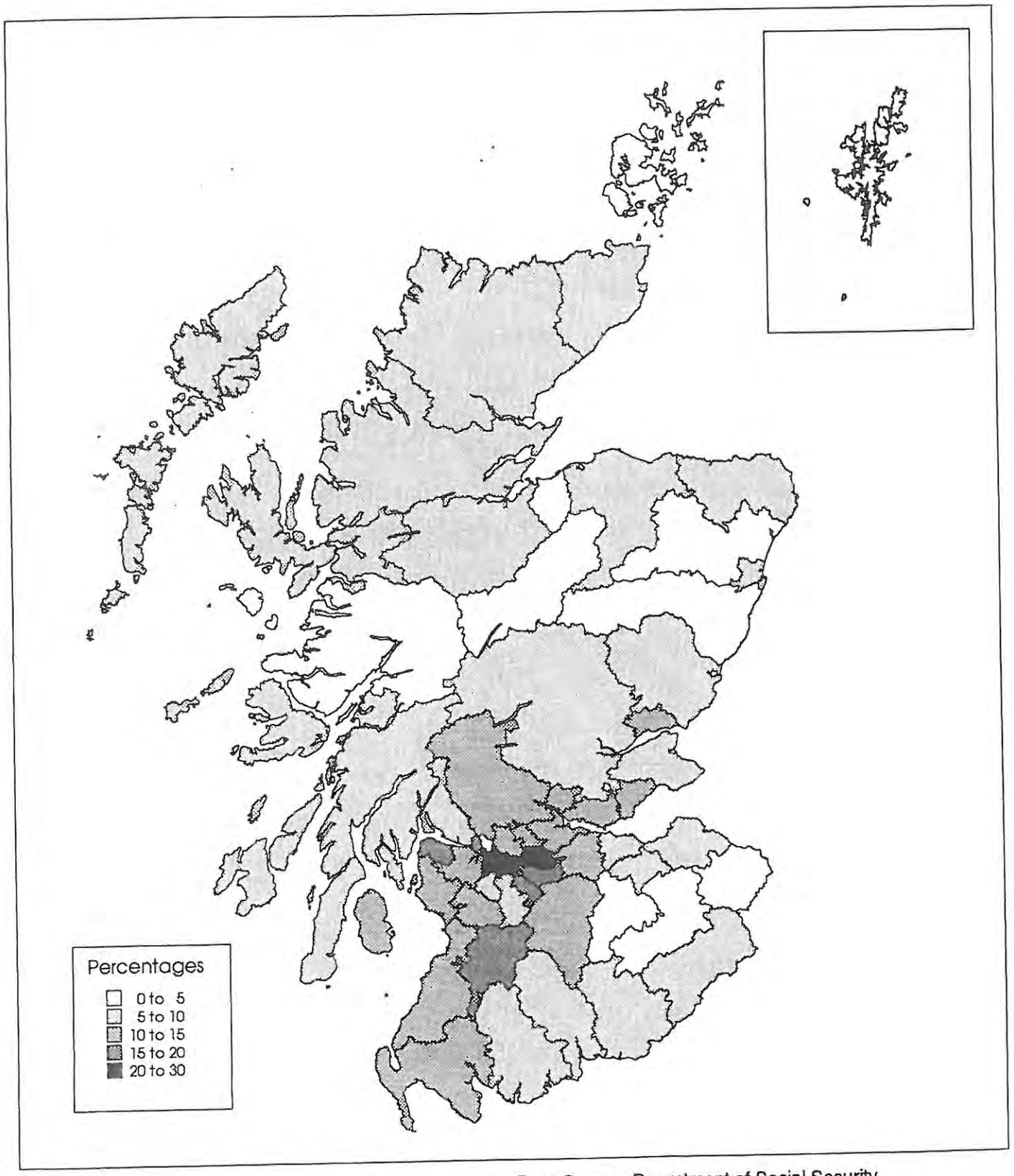
The second important piece of evidence concerns the distribution of sickness claimants across the country, shown in Figures 2 to 5 for August 1996. The data shown on these maps includes all those of working age in receipt of Incapacity Benefit or Severe Disablement Allowance plus those receiving National Insurance credits for incapacity. The figures are expressed as a percentage of the working age population in each district, taken from the 1991 Census.

Figure 2: Men Incapacitated due to Sickness or Invalidity as a Proportion of Working Age Male Population, England and Wales, August 1996



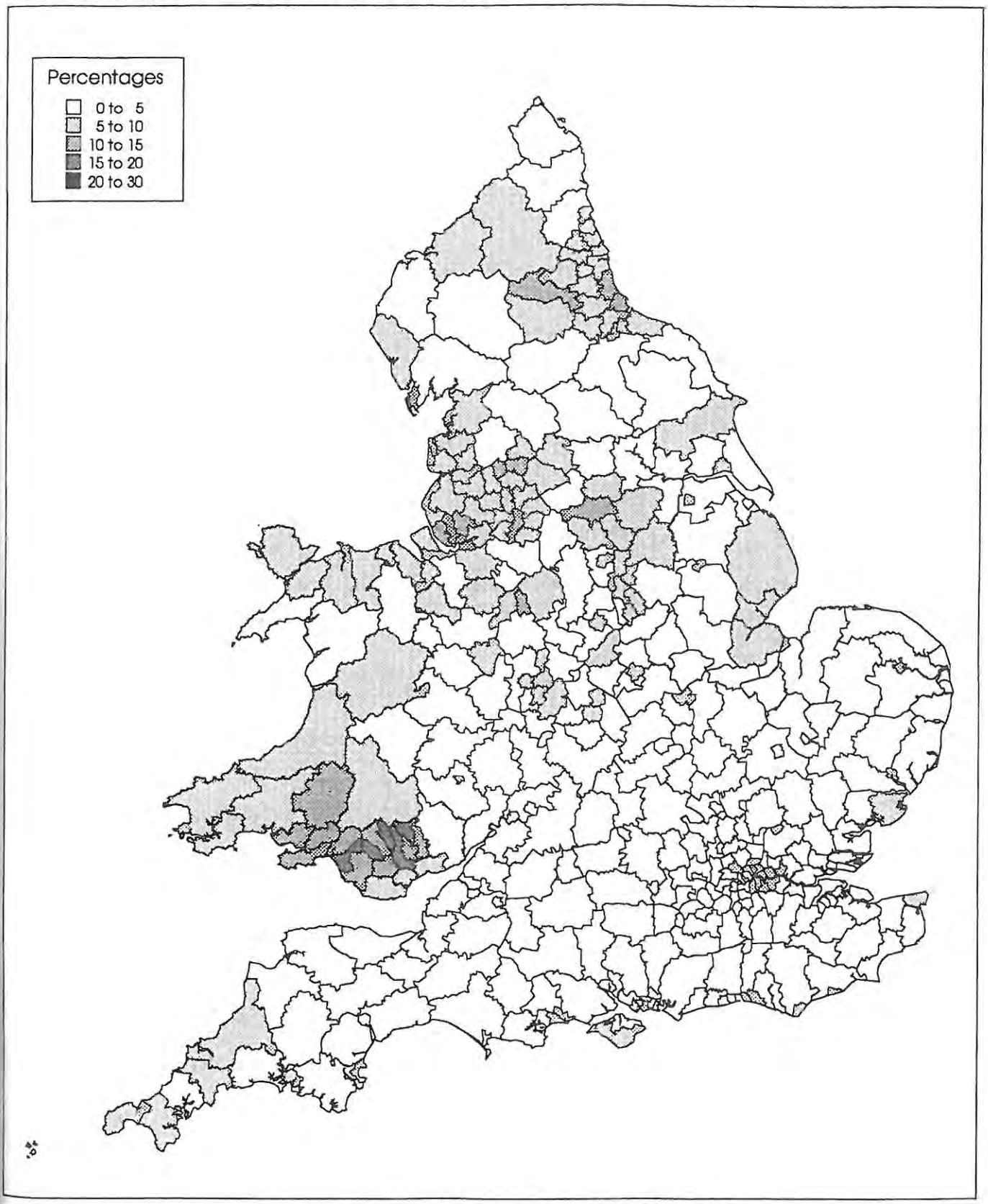
Data source: Department of Social Security
Boundary Source: UKBorders (ESRC/JISC Special Purchase)

Figure 3: Men incapacitated due to Sickness or Invalidity as a Proportion of Working Age Male Population, Scotland, August 1996



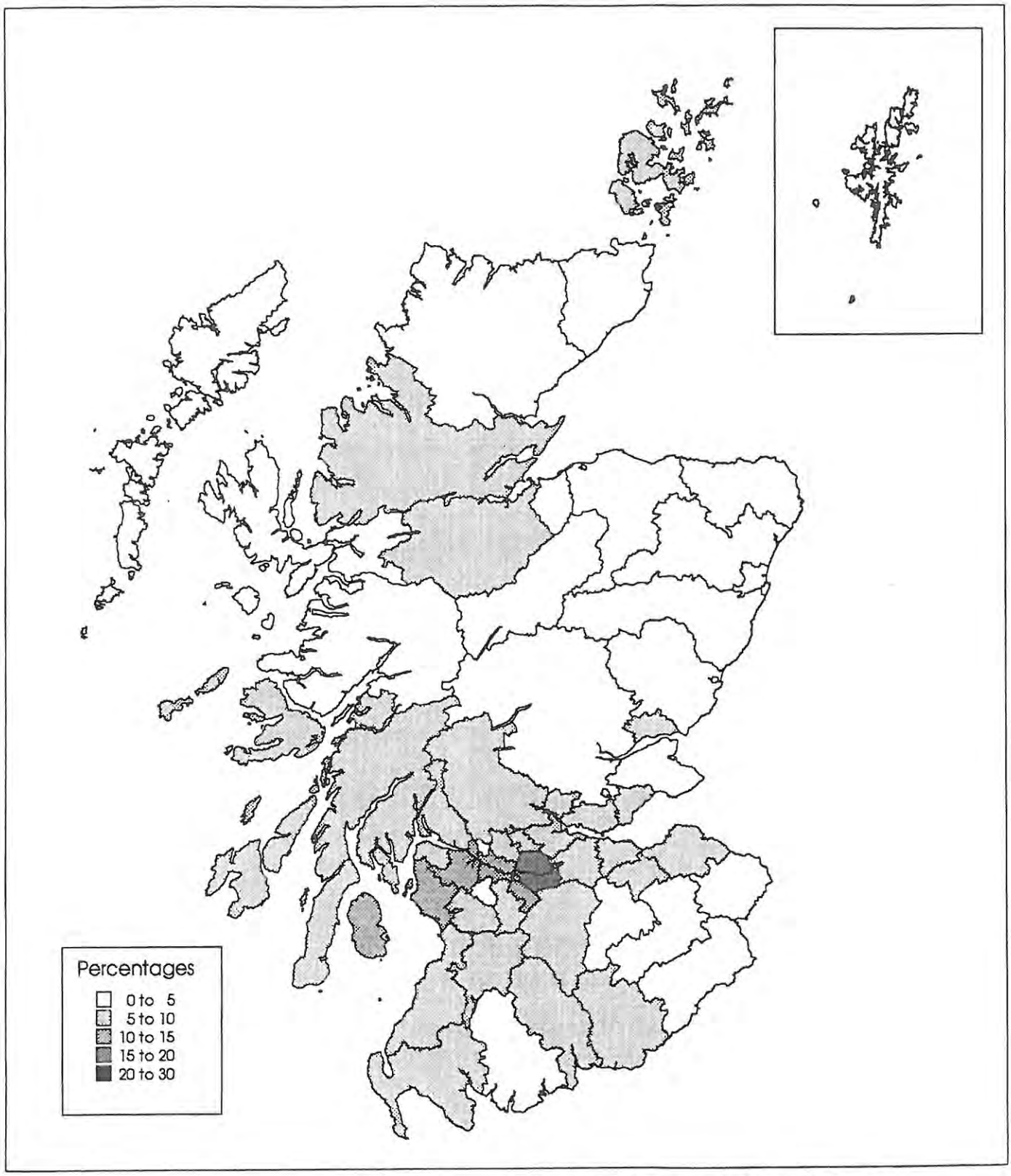
Data Source: Department of Social Security
Boundary Source: UKBorders (ESRC/JISC Special Purchase)

Figure 4: Women Incapacitated due to Sickness or Invalidity as a Proportion of Working Age Female Population, England and Wales, August 1996



Data source: Department of Social Security
Boundary Source: UKBorders (ESRC/JISC Special Purchase)

Figure 5: Women incapacitated due to Sickness or Invalidity as a Proportion of Working Age Female Population, Scotland, August 1996



Data Source: Department of Social Security
Boundary Source: UKBorders (ESRC/JISC Special Purchase)

What the maps reveal is an exceptional incidence of sickness claimants in places such as South Wales, Merseyside, Manchester, South Yorkshire, North East England and Clydeside. In many of these places, sickness claimants account for more than 15 per cent of the entire working age male population. In a few places the proportion exceeds 20 per cent. In contrast, in large parts of the South of England the proportion is below 5 per cent. What the maps also reveal is that the proportion of women claiming sickness benefits is below that for men but with much the same geographical distribution.

There is an uncanny resemblance between the geography of sickness-related claimants and the geography of unemployment-related claimants. Places such as North East England and South Wales have for decades suffered from above-average unemployment, and it is here that the incidence of sickness claimants is highest. Even within the South, the coastal unemployment blackspots of Thanet, Hastings and Brighton show up as having high levels of sickness claimants as well. An explanation could be simply that areas of unemployment are also areas of ill-health, and there is likely to be a link as we noted. Indeed, it is the fit and healthy who are probably most likely to migrate to areas where jobs are available. But the maps are broadly what could be expected if there is a diversion of the unemployed onto sickness-related benefis in the areas where jobs are hardest to find. The maps are also consistent with the general tendency, identified by Turok and Webster (1998), for the groups marginalised most from the workforce to be concentrated in the areas where recorded unemployment is highest.

Survey research for the Department of Social Security (DSS) confirms that medical practitioners have at times assisted their client's move onto Invalidity Benefit (Richie and Snape 1993). Sometimes they did so knowingly, sometimes unwittingly and sometimes under pressure. Other research conducted at the same time shows that the great majority of recipients then experience only one continuous spell on sickness-related benefits (Lonsdale, Lessof and Ferris 1993).

More recent analysis of DSS data shows that on average 21,000 people a month (or 250,000 a year) move directly from Jobseeker's Allowance to Incapacity Benefit (Edgeley and Sweeney 1998). The same DSS data shows that the main reason for leaving Incapacity Benefit (after six months or more) is failing the 'all work test', not going back to work (Dorsett et. al. 1998).

Using Labour Force Survey data, Gregg and Wadsworth (1998) show that 'sickness or disability' has become the most widespread reason for economic inactivity among working age men in Britain, accounting for 63 per cent of the non-student inactive in 1997. This compares to just 16 per cent reported as early retired. Accordingly, the rise in the number of 'sick' lies at the heart of the large overall increase in economic inactivity amongst men of working age - up from 9 per cent in 1977 to 16 per cent in 1997. By 1997, 28 per cent of men over 50 were economically inactive, compared with just 11 per cent in 1977. Approaching one-in-three men with no formal qualifications were economically inactive in 1997, up from 5 per cent in 1979.

Gregg and Wadsworth also note that inactivity is concentrated in high unemployment regions. This observation is confirmed by a comprehensive review of unemployment and non-employment across British cities and regions (Green and Owen 1998). This has prompted Green and Hasluck (1998) to argue that the old concept of a sharp boundary between 'employment' and 'unemployment' has broken down, to be replaced by a continuum of degrees of attachment to the labour market. MacKay (1997) has gone one step further, formulating the general rule that "the greater the degree of labour market disadvantage, the less appropriate is unemployment as a measure of labour market slack".

That high rates of jobs loss and big increases in 'sickness' and 'inactivity' are linked is confirmed by local studies. In our earlier study of the UK coalfields (Beatty and Fothergill 1996) we found that the biggest response to the decline in coalmining jobs for men was a rise in male economic inactivity. In turn, the

biggest component of this was an increase in 'permanent sickness'. Recorded unemployment barely rose at all. Applying the same methods to England's most disadvantaged rural areas revealed again that a big fall in economic activity among men is the single most important factor holding down recorded unemployment in the face of a substantial excess of labour supply over labour demand (Beatty and Fothergill 1997). A similar process is at work in Britain's largest conurbations, where a net loss of 650,000 jobs between 1981 and 1991 was offset by a fall in economic activity which took 280,000 people out of the labour market (Turok and Edge 1999). Moreover, cities with the largest job losses experienced the biggest reductions in economic activity.

The available evidence points towards a higher diversion from unemployment to sickness in the UK than in other EU member states. In Britain, the 2.5 million people of working age now claiming sickness-related benefits represents about 7 per cent of the entire working-age population. Comparable figures are hard to come by but Blondal and Pearson (1995) showed that the proportions for other EU member states (in 1990) were just over 4 per cent for Germany, less than 3 per cent for Spain, and less than 2 per cent for France. Among the larger member states only Italy, at 11 per cent, exceeded the present British figure. Furthermore, between 1980 and 1993 the number of invalidity benefit recipients rose faster in the UK than in any other EU or OECD member state.

Significantly, Green (1999) notes that compared to most other EU states, in the UK a smaller proportion of the non-employed workforce who say they want a job are included in the ILO measure of unemployment. Furthermore, the proportion included in the ILO measure is lower in the traditionally high unemployment UK regions (Wales, Scotland, the North) than in the rest of the country. These conclusions are confirmed by TUC research into labour market performance in the UK and EU (Trades Union Congress 1998). The Treasury, too, accepts that many economically inactive people "would work if they had the opportunity and incentive to do so" (HM Treasury 1997) and that "the number of inactive people

they want a job as a proportion of the adult population is higher in the UK than in any other EU country" (HM Treasury 1998).

This range of evidence makes it difficult to dispute the observation by Berthoud (1998), in his wide-ranging review of disability benefits, that "whatever the detailed pattern of change over time, a large number of people are claiming benefits on grounds of incapacity in the mid-1990s who would not have been doing so in the mid-1970s". The key question is just how many, if any, can be regarded as hidden unemployed.

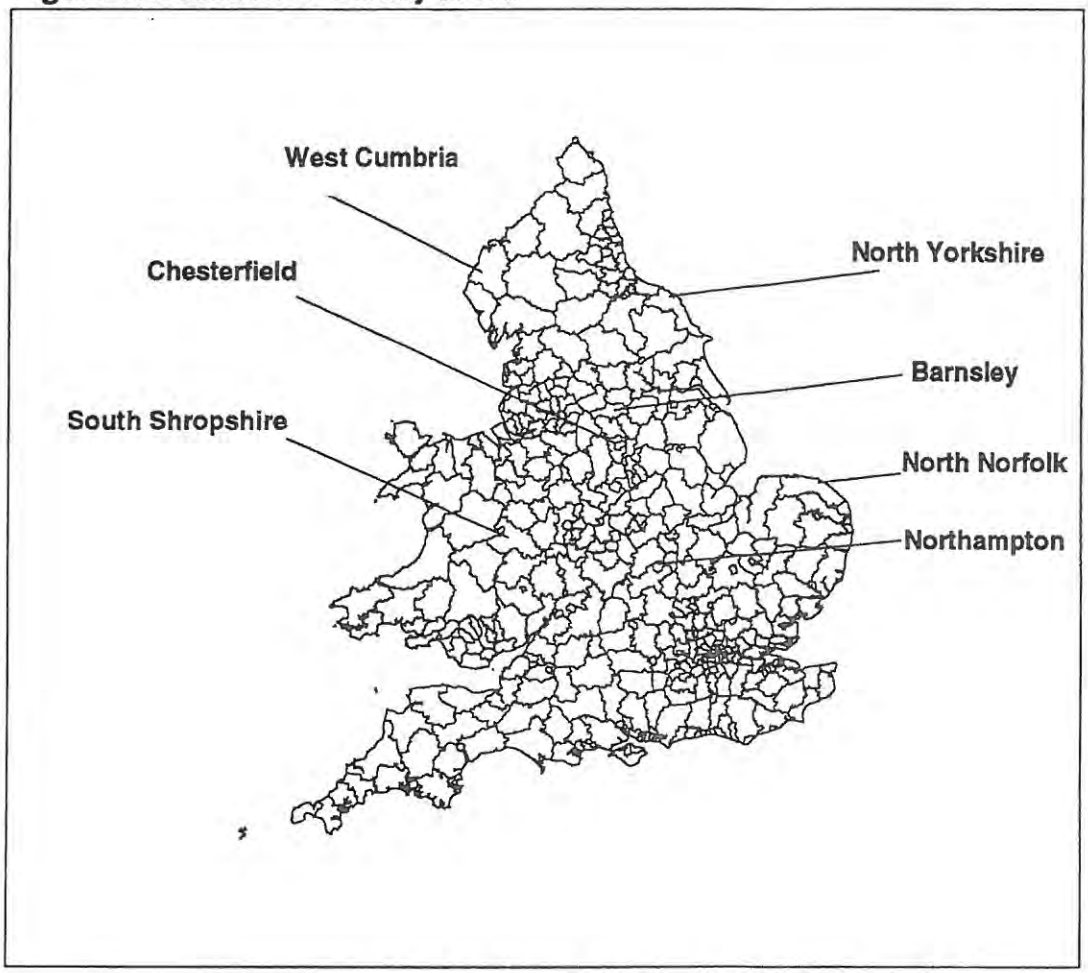
A new survey

The new evidence presented in this paper is based on a survey carried out by ourselves and colleagues at Sheffield Hallam University. The survey covered men aged 25-64 who had not had a regular full-time job for most or all of the preceding six months, for whatever reason. All the interviews were carried out between the autumn of 1997 and summer of 1998.

The survey was carried out in seven localities. Roughly 400 interviews were conducted in each of three towns:

> BARNSLEY, in the heart of the former Yorkshire coalfield, an area badly affected by industrial job losses in the 1980s and 90s.
>
> CHESTERFIELD, in Derbyshire, which shares some of the industrial job losses found in Barnsley but has a more diverse economic base.
>
> NORTHAMPTON, a county town in the Midlands which enjoyed expansion as a result of New Town status from the 1960s to 1980s and which has a diverse and relatively buoyant local economy.

Figure 6: Location of survey areas



Boundary source: UKBorders (ESRC/JISC Special Purchase)

These towns are of broadly comparable size, in the middle of the UK's urban hierarchy. Roughly 125 further interviews were conducted in each of four rural areas:

WEST CUMBRIA, as an example of a rural area with a declining industrial base.

NORTH YORKSHIRE, as an example of an upland rural area. (The survey area was within the North York Moors).

NORTH NORFOLK, as an example of a rural economy with an important seaside/tourist component.

SOUTH SHROPSHIRE, as an example of a lowland rural area.

The location of the survey areas is shown in Figure 6. Statistics on the number of men claiming unemployment and sickness benefits in the survey areas are presented in Table 1.

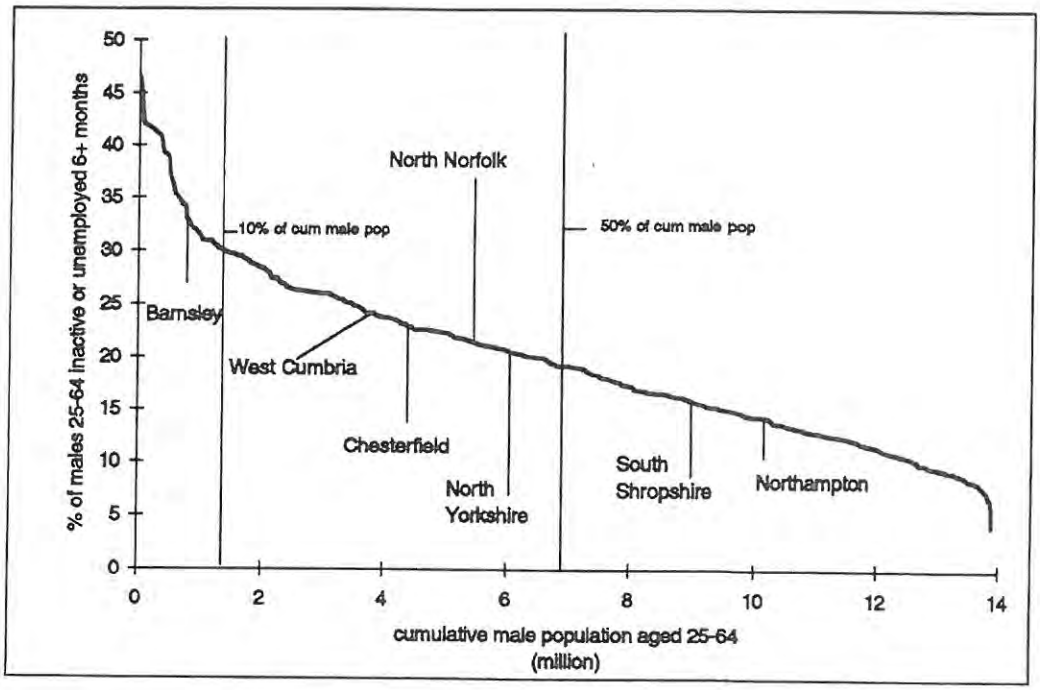
Table 1: Recorded unemployment and incapacity among men of working age in survey areas

	as % of 16-64 year old resident men	
	Claimant unemployed (October 1998)	**Sickness Claimants* (August 1996)**
Barnsley	6.7	18.0
Chesterfield	7.0	10.1
Rural areas	5.5	9.3
Northampton	4.5	6.2
GB Average	5.4	9.0

*Incapacity Benefit, Severe Disablement Allowance and NI credits for incapacity.
Sources : ONS and Dept. for Social Security

As Figure 7 shows, the distribution of non-employment among 25-64 year old men is skewed (3). Barnsley was selected as representative of the worst 10 per cent of districts (by population) where levels of non-employment are especially high. Chesterfield was selected as a representative of the next 40 per cent, and Northampton of the remaining 50 per cent. The rural survey was separately funded and added later. As Figure 7 also shows, the four rural areas also cover a

Figure 7: Long-term unemployment and economic inactivity among men, by district, 1996-7



range of circumstances, from West Cumbria (where non-employment is relatively high) through to South Shropshire (where it is relatively low).

Collectively, the seven survey areas cover a wide range of local economies, from the lagging to the prosperous, spread across five of the UK's regions.

Within each locality the interviews took place in a representative sample of wards or enumeration districts. All the households within these small areas were initially targeted in a door-to-door survey carried out by professional interviewers. When there was no reply on the first visit a second call was normally made, often at a different time of day, and in these cases the contact rate usually rose above 75 per cent. A third call was made in a small number of areas where the contact rate

after two calls was below 75 per cent. In total, more than 30,000 addresses were visited.

Only 3 per cent of households refused outright to participate in the survey. However, in all areas relatively few households contain men within the scope of the survey - ie men of working age who had been without a full-time job for most or all of the preceeding six months. The majority of households, in contrast, contain men in work or over the retirement age, or only women or students. The interviews themselves were carried out using a tightly-structured questionnaire and generally lasted 15-30 minutes.

Of the grand total of 1703 interviewees, 668 were Incapacity Benefit claimants at the time of the survey. A further 353 were Jobseeker's Allowance claimants (4). These claimants were spread across all the survey areas in large numbers (5). The remaining interviewees included early retirees, full-time carers, part-time workers and returners to full-time education. A comprehensive analysis of the rural survey data is already presented elsewhere (Beatty and Fothergill 1999).

The present paper pools all the available data on the ICB and JSA claimants. Most variables do not show important differences between the survey areas. In the instances where there is important and systematic variation (generally between the Barnsley and Northampton survey areas at the extremes) figures are also presented separately for each of the three towns and for the rural areas as a whole. Various methods of weighting the data from the individual survey areas are possible and have been explored (6). However, all have limitations. Our preferred method is therefore to present an 'overall estimate', based on a simple pooling of all the data, alongside figures for the individual survey areas.

Survey evidence : links to the labour market

Let us begin with the ***self-declared status*** of ICB and JSA claimants, shown in Table 2. How individuals see themselves and how they are labelled by the benefits system are not necessarily the same thing, though there is likely to be a relationship. Unsurprisingly, just over 90 per cent of JSA claimants see themselves as 'unemployed', and just over 80 per cent of ICB claimants as 'long-term sick or disabled'. In each case that leaves a small minority who see themselves in different terms. 11 per cent of ICB claimants see themselves first and foremost as 'retired', even though all these men are aged below 65. A further 6 per cent see themselves as 'unemployed'.

Table 2 : Self-declared status of non-employed men

	ICB claimants (%)	JSA claimants (%)
Unemployed	6	91
Long-term sick or disabled	81	1
Retired from paid work altogether	11	1
Other*	2	7
	100	100

*Includes full-time carers, part-time workers, full-time education or training and other
Source : Survey data

Several ***personal characteristics*** other than health may make ICB claimants vulnerable to unemployment. It is generally acknowledged that among men the characteristics least attractive to potential employers are advancing age, poor qualifications and a long time out-of-work.

Official statistics covering all benefit recipients show than on average ICB claimants are older - in April 1998 more than 60 per cent of long-term claimants were over 50, compared to just 20 per cent of JSA claimants. The survey sample (which excluded the under-25s) reflects these national differences - 63 per cent of ICB claimants were over 50, compared to 26 per cent of JSA claimants. Official statistics also show that ICB claimants are likely to have been on benefit longer - in April 1998, 79 per cent had been on Incapacity Benefit for at least a year, compared to just 31 per cent of JSA claimants. Again, these national trends are reflected in the survey sample.

Table 3 : Selected qualifications of non-employed men

	ICB claimants (%)	JSA claimants (%)
Degree	5	4
A level	7	6
O level	20	25
Craft apprenticeship	22	12
NVQ/ONC/OND/HNC/HND	4	6
Clecical or commercial	4	6
None	46	48

NB Columns do not add to 100 because some respondents have more than one qualification
Source : Survey data

Table 3 looks at the formal qualifications and Table 4 at usual occupation when in work. The striking feature is the similarity between ICB and JSA claimants. Approaching half the men in both groups have no formal qualifications at all. ICB claimants are rather more likely to have served an apprenticeship, but less likely to have professional qualifications such as NVQs. In terms of occupation, ICB claimants are more likely to be skilled manual workers, and less likely to be unskilled, but the preponderance of manual workers is common to both groups.

Table 4: Social class based on usual occupation of non-employed men

	ICB claimants (%)	JSA claimants (%)
Professional	2	2
Intermediate	14	10
Skilled non-manual	11	8
Skilled manual	51	40
Semi-skilled manual	10	17
Unskilled	12	24
Armed forces	0.2	0.6

Source : Survey data

In terms of attractiveness to potential employers, ICB claimants are therefore at best only marginally better placed than the claimant unemployed (in terms of skills) and at worst some way behind (in terms of age and duration of non-employment).

Turning to the ***causes of job loss***, Table 5 shows the main reason why ICB claimants' last regular full-time job came to an end. This is one of the variables that displays systematic differences across the survey localities, which are therefore arranged from the labour market with the greatest slack (Barnsley) through to the tightest (Northampton). Fewer than 2 per cent of ICB claimants included in the survey said that that had never had a regular full-time job. The table refers to the remaining 98 per cent.

The processes by which a job comes to an end can be complex. Sometimes there is a single clear-cut reason. On other occasions a range of factors of varying importance come into play, especially when a job is left voluntarily. The survey asked respondents to identify the principal reason why their last job ended. To simplify the picture, the answers are grouped into three categories - compulsory

severance (where it is the employer that brought the job to an end), voluntary severance (where the employee took the initiative) and ill-health or injury.

Table 5: Male Incapacity Benefit Claimants: principal reason for last job ending

	Barnsley (%)	C'field (%)	Rural Areas (%)	N'hampton (%)	Overall Estimate (%)
Compulsory*	46	25	24	24	31
Voluntary and other**	21	31	16	16	21
Ill-health or injury	33	44	60	60	48
	100	100	100	100	100

*Compulsory redundancy/retirement, dismissal, end of temporary contract

**Voluntary redundancy/retirement,own reasons and other

Source : Survey data

Pooling all the survey data indicates that ill-health or injury was the principal reason for ICB claimants' last job ending in just 48 per cent of cases. Compulsory severance accounted for a further 31 per cent and voluntary severance for the remaining 21 per cent. The corresponding proportions for JSA claimants were 7 per cent, 66 per cent and 27 per cent.

However, the proportion of ICB claimants who lost their last job principally because of ill-health or injury varies with labour market conditions. In Barnsley, the proportion whose last job ended through ill-health is lowest at just one-third. In Barnsley nearly half of all ICB claimants lost their last job because of compulsory severance, most commonly redundancy. In Northampton ill-health or injury was much more prominent, and compulsory severance less so.

Table 6 takes a wider view of the ***role of health in job loss*** among ICB claimants. This shows all the cases in which ill-health or injury was cited as a factor, even if

not as the principal reason. Even on this wider indicator, ill-health or injury is estimated to have been a factor in only around three-quarters of cases overall. That leaves an estimated quarter of ICB claimants who say that ill-health or injury was not a factor at all.

Table 6: Cases in which ill-health or injury was cited as a factor in male ICB claimants' last job ending

	Barnsley (%)	C'field (%)	Rural Areas (%)	N'hampton (%)	Overall Estimate (%)
Last regular full-time job	64	72	77	81	73
Job before that	8	11	8	14	12
Job before that	4	9	6	6	6

Source : Survey data

Once more, the relevance of health is related to local labour market conditions - lowest in Barnsley, the slackest of the survey labour markets, and highest in Northampton, the tightest. Looking further back in time ill-health or injury played a lesser role in bringing previous jobs to an end but much the same geographical pattern is replicated.

ICB and JSA claimants differ in the ***duration of previous employment***, shown in Table 7. Many ICB claimants have had very long periods of stable employment. Half worked in their last job for at least 10 years, and a quarter for at least 20 years. In contrast, only one-in-six JSA claimants spent 10 years or more in their last job, and only one-in-twenty spent 20 years or more. Some of this difference is undoubtedly attributable to age - JSA claimants are on average younger and therefore have simply had less time to accumulate long periods with one employer. But the differences do appear to run deeper. Whereas 72 per cent of ICB claimants had moved straight into their last job from another job, for JSA claimants the proportion was just 51 per cent.

Table 7: Length of time in last regular full-time job for non-employed men

	ICB claimants (%)	JSA claimants (%)
Less than a year	11	28
1 to 5 years	23	42
5 to 10 years	15	14
10 to 20 years	25	11
20 years or more	26	5
	100	100

Source : Survey data

ICB claimants are in other words a group unaccustomed to being out-of-work. What has happened, it appears, is that many have had to confront an event which brought a long period of stable employment to an end. What is also clear, however, is that for ICB claimants ill-health or injury is not the exclusive cause of job loss. Indeed, in a substantial minority of cases ill-health or injury does not appear to have been relevant at all.

Turning to present-day ***labour market attachment***, Table 8 presents key statistics on ICB and JSA claimants.

Taking ICB claimants first, just under half of the overall sample said they would like a full-time job. Optimism about actually getting one is much lower - just 11 per cent of ICB claimants think there's a realistic chance. This dim appraisal of the chances of finding work may go a long way towards explaining job search behaviour. Whereas just over a quarter of ICB claimants looked for a full-time job when their last job ended, only 6 per cent are looking now. Given the way that 'ILO unemployment' is defined to include only active job seekers, this figure of 6 per cent - equivalent to fewer than 100,000 across the country as a whole - sets

the upper limit for the number of male ICB claimants who might be included in this measure of unemployment.

Table 8: Labour market attachment of non-employed men

	ICB claimants (%)	JSA claimants (%)
JOB ASPIRATIONS		
Would like a full-time job	47	91
Thinks there is a realistic chance of one*	11	53
JOB SEARCH BEHAVIOUR		
Looked after last job ended	27	88
Looking now	6	85

*Share of claimants who 'think there's a realistic chance' and also answered 'would like a job' or 'don't know'
Source : Survey data

JSA claimants retain a much greater degree of labour market attachment, though this is hardly surprising because in order to receive Jobseeker's Allowance they must demonstrate that they are actively seeking work. Nine-out-of-ten say they would like a full-time job, and half think there's a realistic chance of getting one. Nearly nine-out-of-ten looked for full-time work after their last job ended and this proportion has barely fallen.

What is also evident is that among ICB claimants labour market attachment varies with labour market conditions. This is shown in Table 9. In the slack Barnsley labour market just one third of ICB claimants say they would like a full-time job. In the more buoyant Northampton labour market the proportion is nearer two-thirds. Expectations about actually finding work, though low everywhere, are also higher in Northampton.

Table 9: Labour market attachment of male ICB claimants

	Barnsley (%)	C'field (%)	Rural Areas (%)	N'hampton (%)	Overall Estimate (%)
JOB ASPIRATIONS					
Would like a full-time job	34	45	51	62	47
Thinks there is a realistic chance of one*	7	11	8	19	11
JOB SEARCH BEHAVIOUR					
Looked after last job ended	29	25	26	26	27
Looking now	4	7	5	9	6

*See note to Table 8

Source : Survey data

Everywhere, among ICB claimants active job seeking has sunk to very low levels. When ICB claimants are asked why they are not looking for work the overwhelming majority - 94 per cent - cite 'ill-health or injury'. By comparison factors such as age or shortage of suitable jobs are cited little if at all.

Table 10 presents a complex ***self-assessment of health***. This needs to be interpreted with care. In order to obtain Incapacity Benefit all claimants will at some stage have gone through a medical procedure which assessed them as 'unfit for work'. This judgement and their benefit status are likely to influence the way they see their health.

Virtually all ICB claimants report some health limitation on the work they can do. Limitations are not unique to ICB claimants however. Around a quarter of JSA claimants also report health problems, though generally the detailed responses indicate that they are not as severe. Nevertheless, only a minority of ICB

Table 10: Self-assessment of health of non-employed men

	ICB claimants (%)	JSA claimants (%)
Q1: DOES YOUR HEALTH LIMIT THE WORK YOU CAN DO?		
Yes	96	23
No	4	76
Don't know	1	1
	100	100
Q2: DOES YOUR HEALTH KEEP YOU FROM DOING SOME TYPES OF WORK? (for those answering 'yes' to Q1)		
Yes	72	85
No	1	10
Can't do any work	26	2
Don't know	1	4
	100	100
Q3: FOR THE WORK YOU CAN DO, DOES YOUR HEALTH LIMIT HOW MUCH YOU CAN DO? (for those answering 'yes' to Q1 but not 'can't do any work')		
A lot	66	23
Quite a lot	25	26
Just a little	6	26
Not at all	4	25
	100	100

Source : Survey data

claimants - about a quarter - say they can't do any work at all. For the remaining three-quarters the issue is about what type of work or how much of it they are able to do.

Survey evidence : the benefits system

That the difference between means-tested Jobseeker's Allowance and non-means-tested Incapacity Benefit creates financial incentives is not in dispute, but the strength of the incentive depends on personal circumstances. Like JSA claimants, ICB claimants can obtain additional payments for dependents but there are differences in eligibility and in rates of payment. Generally speaking, the incentive for an unemployed man to claim Incapacity Benefit is greater:

* if he has income from a company pension (since any income counts against means-tested JSA)

* if he has a partner in employment (since this household income counts more heavily against means-tested JSA)

* if he has savings above £3000 (which reduce means-tested JSA and eliminate it entirely above £8000)

* if he has no dependent children living with him (since they would add more to means-tested JSA)

* if he owns his home outright (since mortgage or rent payments would also add to means-tested benefit entitlement)

Part-time or casual earnings have an ambiguous role. On the one hand they count against JSA entitlement. On the other hand part-time working could

prejudice the whole of ICB entitlement by demonstrating a capacity for employment.

Other benefits play a complex role too. Some ICB claimants are able to claim other non-means tested benefits as well, notably Disability Living Allowance which provides assistance with the costs of care and/or mobility. In February 1998, 682,000 men and 545,000 women of working age were claiming Disability Living Allowance. Also, accessing Incapacity Benefit does not prevent an individual claiming means-tested benefits, in particular Income Support but also Housing Benefit and Council Tax Benefit.

The survey encountered a remarkable degree of openness on financial matters - just 15 out of 1703 respondents declined to answer questions on their benefit status. Table 11 combines a range of information on the financial circumstances of ICB and JSA claimants.

The striking feature is how much the distribution of claimants between the two benefits conforms to the financial incentives. More than a third of ICB claimants have pension income, compared to just 4 per cent of JSA claimants. One-in-six ICB claimants have lump-sum redundancy money to draw on, compared to one-in-sixteen JSA claimants. A quarter of ICB claimants have a partner in work and a quarter own their own home, compared to just over 10 per cent of JSA claimants. ICB claimants are also less likely to have dependent children living at home.

Since the survey covered men who had been out of work for most or all of the preceding six months virtually all the JSA claimants will have been in receipt of the income-based variant, which is means-tested. In contrast, only 20 per cent of ICB claimants were also drawing on means-tested Income Support. ICB claimants are in addition less likely to draw on other, mainly housing-related, means-tested benefits.

Table 11: Financial circumstances of non-employed men

	ICB claimants (%)	JSA claimants (%)
INCOME/ASSETS		
Regular paid part-time work	2	8
Temporary/casual/seasonal paid work	1	4
Pension income	36	4
Lump-sum redundancy pay	16	6
Own home outright	24	11
Partner in work	26	11
Income support	20	N/A
Other means tested benefits*	37	65
Other non-means tested benefits**	20	3
FINANCIAL COMMITMENTS		
Partner not in work	46	47
Dependent children in household***	23	35
Mortgage or rent	73	84

*includes Housing Benefit, Council Tax Benefit and Family Credit

**includes Disability Living Allowance and Industrial Injuries Benefit but excludes Child Benefit

*** defined here to include children under 18

NB An individual may have more than one source of financial support or multiple financial commitments, so columns dio not add to 100

Source : Survey data

Table 12 shows that the financial circumstances of ICB claimants vary systematically between localities. The table looks at five indicators. On four there is a clear progression from the slackest labour market (Barnsley) to the tightest (Northampton). In Barnsley, ICB claimants are more likely to have a pension,

more likely to have redundancy money, more likely to own their home outright and less likely to draw on means-tested benefits. The fifth indicator - a partner in work - shows a more variable pattern. On balance, ICB claimants in a slack labour market therefore appear to live in better financial circumstances than ICB claimants elsewhere. This observation is especially notable because in slack labour markets, sickness benefit claimants are so much more numerous - 18 per cent of the entire working age male population in Barnsley, as Table 1 showed earlier.

Table 12: Selected financial circumstances of male ICB claimants

	Barnsley (%)	C'field (%)	Rural Areas (%)	N'hampton (%)	Overall Estimate (%)
Pension	42	40	32	26	36
Lump-sum redundancy pay	24	21	9	8	16
Partner in work	27	27	17	33	26
Means-tested benefits	33	37	48	48	44
Own home outright	29	25	21	19	24

Source: Survey data

That there is a movement of individuals directly from unemployment to Incapacity Benefit is confirmed by Table 13. This shows the share that said they were unemployed immediately prior to claiming Incapacity Benefit. Overall, just over one-in-five male ICB claimants were previously unemployed, the majority on benefit. In the four survey localities the proportion is lowest in Northampton.

There is also evidence from the survey that some JSA claimants try to move onto Incapacity Benefit but fail and that others are removed from it against their will. 5 per cent of current JSA claimants said that they had at some time applied for

Table 13: Share of male Incapacity Benfit claimants moving directly from unemployment

	Barnsley (%)	C'field (%)	Rural Areas (%)	N'hampton (%)	Overall Estimate (%)
Unemployed - on benefit	20	22	21	12	19
Unemployed - no benefit	4	4	5	4	4
	24	26	26	16	23

Source: Survey data

Incapacity Benefit and been refused. 12 per cent of JSA claimants had received Incapacity Benefit or Invalidity Benefit at some time in the past and, of these, half lost their entitlement because they failed the relevant medical test. Going back to work brought only one-in-eight of these earlier claims to an end.

Nevertheless, conformity to the expectations arising from financial incentives does not necessarily imply causality. ICB claimants are on average older than JSA claimants. It is therefore to be expected that they are more likely to have pension income, less likely to have a mortgage, and less likely to have dependent children at home. Added to this, age is likely to be associated with declining health and thus increased potential for claiming Incapacity Benefit.

To try to disentangle the possible effects we carried out a range of regression analyses. Details are set out in the appendix. The analyses set out to measure the separate effects of a range of personal and household circumstances on the probability of receiving Incapacity Benefit rather than Jobseeker's Allowance.

The results show consistently that health (however measured) has a strong and statistically significant influence on the probability of a man claiming Incapacity Benefit rather than Jobseeker's Allowance. This is to be expected, given the

intended purpose of Incapacity Benefit. Independently of health, age also has a statistically significant influence. This effect is less easily explained by Incapacity Benefit's intended role as support for those too ill to work. Older workers may be more prone to ill-health, but that age should still emerge as influential after having standardised for the effects of health points towards other factors for a full explanation of the benefit status of older workers.

Pension income is also statistically significant. It is to be expected that ICB claimants are more likely to have a pension than JSA claimants because some will have retired early on the grounds of ill-health and will thereby have become eligible under a company or private scheme. However, the regression indicates that over and above the effects of health and age, pension income still remains a factor which differentiates JSA and ICB claimants.

Pension income is a more powerful predictor of who claims Incapacity Benefit than age but less powerful than health, and in effect is most influential at the margins. Those with the most serious health problems have a high probability of being on Incapacity Benefit anyway, but for those whose health is not fully incapacitating a pension increases the likelihood of claiming ICB rather than JSA. Thus according to the regression analysis a 54 year old man without serious health problems and without a pension has a 36 per cent chance of being on ICB rather than JSA. The same man with a pension has an 87 per cent chance of being on ICB rather than JSA.

There is some evidence that having a partner in work also increases the probability of claiming Incapacity Benefit but this variable is not consistently significant. The remaining financial variables - redundancy pay, dependent children, outright home ownership - have no discernable independent effects.

In other words, putting aside the obvious effect of health, it is pension income and to a lesser extent age that are the most important factors in tipping men towards ICB and away from JSA.

Hidden unemployment

Having described the survey findings, it is now possible to consider the extent to which they support the theory that Incapacity Benefit hides unemployment. In the interests of balance, it is first useful to summarise the survey findings that appear difficult to reconcile with this argument:

* Fewer than one-in-ten male ICB claimants are presently looking for a full-time job

* Fewer than one-in-ten male ICB claimants describe themselves as 'unemployed'

* The overwhelming majority of male ICB claimants give ill-health or injury as the reason for not looking for a job

* Ill-health or injury is quoted by around three-quarters of male ICB claimants as a factor in bringing their last job to an end

* Nearly all male ICB claimants say that their health limits the work they can do

These are important observations. But the argument is that only some ICB claimants, not all, should be regarded as hidden unemployed. Nor is the intention to suggest that the health problems cited by individuals are fictitious. Rather, the argument is that in different labour market circumstances many of these individuals would be in employment.

The survey findings that are consistent with claims about hidden unemployment are as follows:

* In terms of age, skills and qualifications, male ICB claimants are a group severely exposed to unemployment

* Among male ICB claimants, ill-health or injury was the principal reason for their last job ending in only about half of all cases

* In about a quarter of cases, health was not even a lesser factor in bringing their last job to an end

* Half of all male ICB claimants say they would like a full-time job

* Just over a quarter looked for work after their last job ended

* Only a quarter of male ICB claimants say they can't do any work

* For many ICB claimants, their benefit entitlement is greater than if they were on Jobseeker's Allowance

* Nearly a quarter of male ICB claimants have moved onto this benefit straight from unemployment

The question is therefore not whether there are any hidden unemployed among Incapacity Benefit claimants, but how many.

All measures of hidden unemployment are inherently imperfect, incorporating different assumptions and different conceptions of 'unemployment' itself. Table 14 therefore presents a range of indicators. The first line shows the number of male ICB claimants in Great Britain in April 1998. Of this total of 1.44m claimants, 1.26m had been in receipt of Incapacity Benefit for six months or more. Because Incapacity Benefit normally becomes payable only after the first 28 weeks of illness, virtually all the 1.44m claimants will not have worked for at least six months.

Table 14: Indicators of hidden unemployment among male Incapacity Benefit claimants, Great Britain 1998

	Number	% of men of working age
ICB claimants of working age (April 98)	1,437,000	7.8
'Real unemployment' (Jan 97)	820,000	4.5
Health not main reason for last job ending (52%)	750,000	4.1
Want a full-time job (47%)	680,000	3.7
Looked for work afer last job ended (27%)	390,000	2.1
Presently looking for work (6%)	90,000	0.5

Source: DSS, authors'estimates

The second line shows our previous estimate of 'real unemployment' among male sickness benefit claimants (Beatty, Fothergill, Gore and Herrington 1997). The benchmark used in the estimate is the rate of 'permanent sickness' among men of working age in the South East of England recorded by the 1991 Census. At this time the South East had only just emerged from a prolonged period (c.1986-90) of virtually full employment. The South East in 1991 can therefore be used as a guide to what is achievable in a fully employed economy. Levels of permanent sickness in excess of this level - 3.4 per cent of the male working age population - should be regarded as hidden unemployment we argued (7).

The remaining lines of Table 14 show estimates of hidden unemployment derived from the survey data. In each case we have taken the overall estimate from the survey and applied it to the total number of ICB claimants of working age, shown in the first line of the table.

The estimates indicate that only a modest share of ICB claimants (390,000) looked for work after their last job ended, and fewer still (90,000) are presently looking for

for work. These are fairly narrow views of hidden unemployment. As we noted earlier, ICB claimants are not required to be active job seekers and if there are few suitable jobs available it is hardly surprising that they give up looking. A wider view is required.

The more revealing comparisons are therefore between the previous estimate of 'real unemployment' (820,000), the numbers who say they want work (680,000) and the numbers whose last job ended principally for reasons other than ill-health (750,000). What is striking is that these three indicators converge at broadly the same order of magnitude, giving weight to the view that there may be around three-quarters of a million hidden unemployed men among sickness benefit claimants.

These three indicators do however measure different things, and each is imperfect. For example, some men may 'want work' in a generalised, aspirational way without having the health or physical ability to take up employment. Likewise, some whose last job ended for reasons other than ill-health will have subsequently become too ill to work. There will also be some unemployed men for whom a prolonged period on Incapacity Benefit has sapped the desire to work, and some ICB claimants whose health has improved since they first left work because of illness.

The overlap between the men actually counted by the three measures of hidden unemployment is far from complete. For example, only half of those who now say they want work also left their last job for reasons other than ill-health. In a different context, the Royal Statistical Society (1995) pointed out that though the ILO and claimant measures of unemployment were not far apart, they counted different people with only modest overlap. The fact that here three alterntive measures of hidden unemployment among male ICB claimants point to similar orders of magnitude should likewise not be taken to indicate that the 'hidden unemployed' are an easily identified group with clear-cut boundaries. At the level of the

individual, the distinction between the 'unemployed' and the 'long-term sick' is undoubtedly blurred.

Table 15 looks at whether the same indicators point towards big variations in the incidence of hidden unemployment between localities. The first line shows the number of sickness benefit claimants in the survey localities in August 1996, taken from unpublished Department of Social Security data (8). As we noted earlier, the proportion of the working age population on sickness benefit is highest in the slackest labour markets.

Table 15: Indicators of hidden unemployment among male sickness benefit claimants in survey localities, August 1996

	Barnsley	C'field	Rural Areas	N'hampton
	(%)	(%)	(%)	(%)
Sickness claimants of working age*	12,800	3,200	4,500	3,500
(% of males of working age)	18.0	10.1	9.3	6.2
'Real unemployment' - SE Benchmark	9,700	1,800	2,400	1,000
(%)	13.6	5.7	4.9	1.8
'Real unemployment' - 1981 Benchmark	8,300	1,800	2,400	1,400
(%)	11.7	5.7	4.9	2.5
Health not main reason for last job ending	8,600	1,800	1,800	1,400
(%)	12.1	5.7	3.7	2.5
Want a full-time job	4,300	1,400	2,300	2,200
(%)	6.1	4.6	4.7	3.9

* includes Severe Disablement Allowance and NI credits for incapacity as well as Incapacity Benefit claimants
Sources: DSS, authors' estimates

The second and third parts of the table show two alternative estimates of 'real unemployment' based on statistical comparisons. One of these uses the 1991 South East levels as the benchmark, as in Table 14 earlier. The other uses the

1981 level of permanent sickness in each of the four areas as an alternative benchmark (9). This is the method advocated by Armstrong (1997), who argues that it takes account of geographical variations in the underlying level of sickness prior to the big national increases of the 1980s and 1990s, though it is worth noting that even in 1981 levels of recorded 'permanent sickness' among working age men were higher than in 1971. These comparisons both point to much higher levels of hidden unemployment in the slacker labour markets. In Barnsley, the South East benchmark points to hidden unemployment equal to 13.6 per cent of the male working-age population, and the local 1981 benchmark to 11.7 per cent. The comparable figures for Northampton are 1.8 and 2.5 per cent.

The fourth part of the table shows the estimated number of sickness benefit claimants whose last job ended principally for reasons unconnected with health, based on the survey findings. A much higher proportion of ICB claimants fall into this category in Barnsley (67 per cent) than in Northampton (40 per cent). Accordingly, this indicator also points to much higher hidden unemployment in the slacker labour markets such as Barnsley. Indeed there is a close correspondence in all four survey localities between the levels of hidden unemployment suggested by this indicator and the estimates of 'real unemployment'. The survey-based estimates are especially close to those based on local levels in 1981.

The fifth and final part of the table shows estimates based on the share of ICB claimants who say they would like a full-time job. These provide less confirmation of such big differences in hidden unemployment. As Table 9 showed earlier, the slacker the local labour market the lower the proportion of male ICB claimants who say they want a job. As a result, although this measure points towards higher levels of hidden unemployment in slacker labour markets, the differences are not so great as on the other indicators.

There are factors at work that subdue this 'want work' measure in slack labour markets such as Barnsley. The survey findings show that as a general rule the desire to work declines with lengthening duration out of work - from 56 per cent of

male ICB claimants saying they want a job in year 1 to below half in years 6 and beyond. In Barnsley, 32 per cent of ICB claimants have not had a regular full-time job for between five and ten years, and 22 per cent for ten years or more. More importantly, after five years or more without work just 20 per cent of male ICB claimants in Barnsley say they would like a job, compared to an average of 44 per cent in the other three localities.

This group of long-term ICB claimants in Barnsley is important because it is so large, comprising just under 10 per cent of all 16-64 year old men or about half as many again as the claimant unemployed. An explanation for their labour market behaviour is required.

Closer examination reveals that 42 per cent of these men are in receipt of a pension. 21 per cent have lump-sum redundancy money. 30 per cent own their home outright. These are figures in excess of the average for all ICB claimants (Table 11 earlier). Importantly, more than 40 per cent had last worked in the coal industry (10).

One thing that is well-known about the coal industry is that large redundancy payments (typically £15-30,000) were made to miners. This often enabled them to pay off their mortgage and sometimes save a little as well. All ex-miners are entitled to a company pension from age 60, and those who left the industry after 1992 can opt to receive a pension at any age from 50 onwards. Added to this, the effect on health of working in the coal industry means that redundant miners' claims for Incapacity Benefit are often likely to be successful. Seen in this context the labour market behaviour of ICB claimants in Barnsley becomes easier to explain. Although many of them lost their last job because of redundancy rather than ill-health, their financial circumstances and access to Incapacity Benefit often allow them to get by without a job.

The experience of men in Barnsley cannot be dismissed as idiosyncratic. As we showed earlier, Barnsley is representative of the top 10 per cent of GB districts

where the incidence of non-employment has risen to exceptional levels. Around half these other districts are also mining areas. Others were once dominated by steel or heavy engineering. The experience of redundancy followed by Incapacity Benefit and effective withdrawal from the labour market is likely to be shared by many men in these places. These men may however represent a unique cohort - the last of a huge group of mainly manual workers shed by traditional industries during the 1980s and 90s. Now that industries such as coal and steel employ so few, the chances of their experience being repeated on a large scale have largely gone.

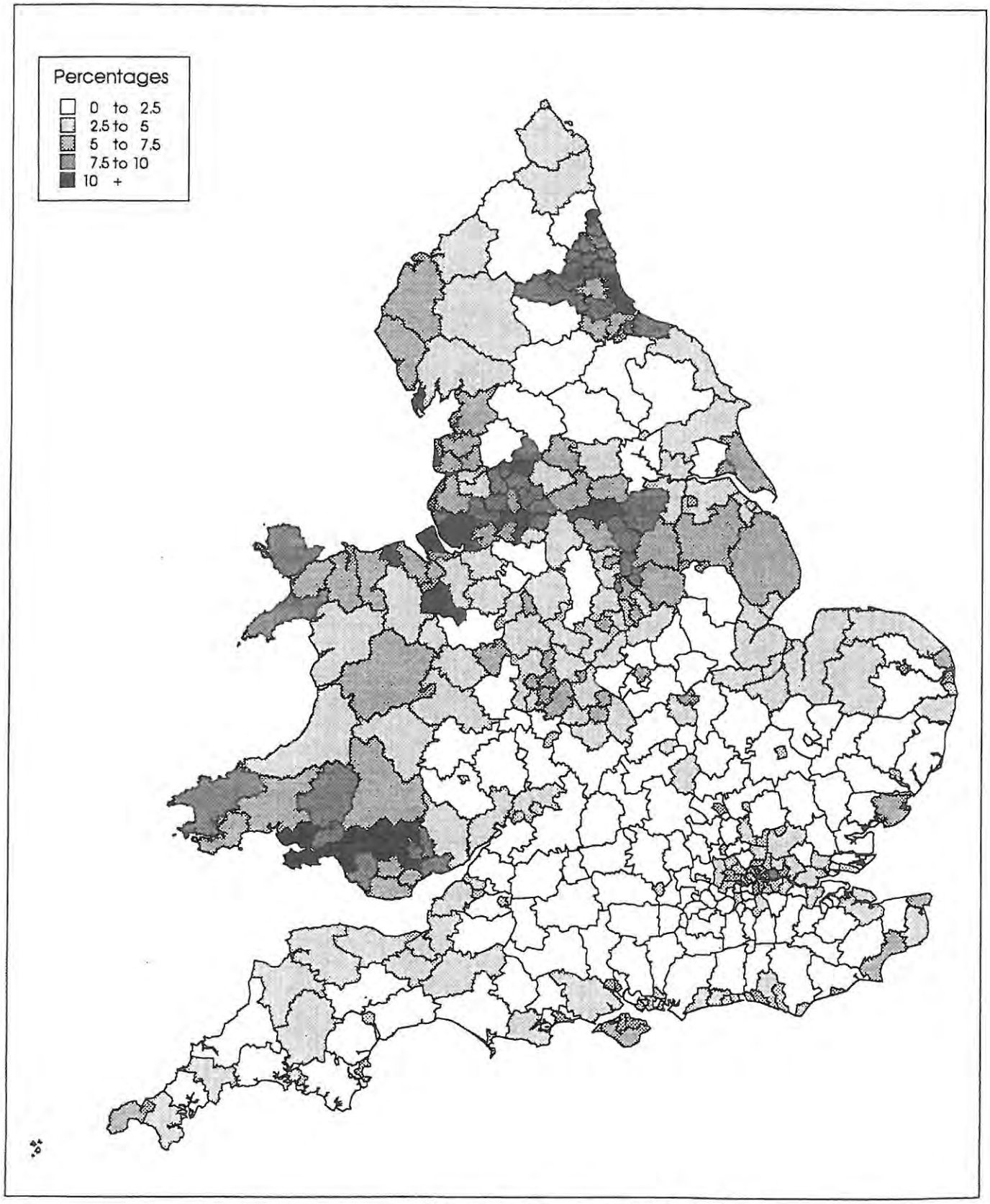
What the Barnsley experience does indicate is that 'wanting work' may by itself be a poor guide to the extent of hidden unemployment at the local scale.

The national picture

The close coincidence between survey-based estimates of hidden unemployment (using 'how last job ended') and estimates based on comparisons with 1981 levels of permanent sickness allows the analysis to be taken a step further. The 1981 data is available for all districts, and can therefore be used to estimate hidden unemployment among male ICB claimants across the whole country (11). Figures 8 and 9 map the results of this exercise. Table 16 summarises the results by region. Figures for every district are presented in the appendix.

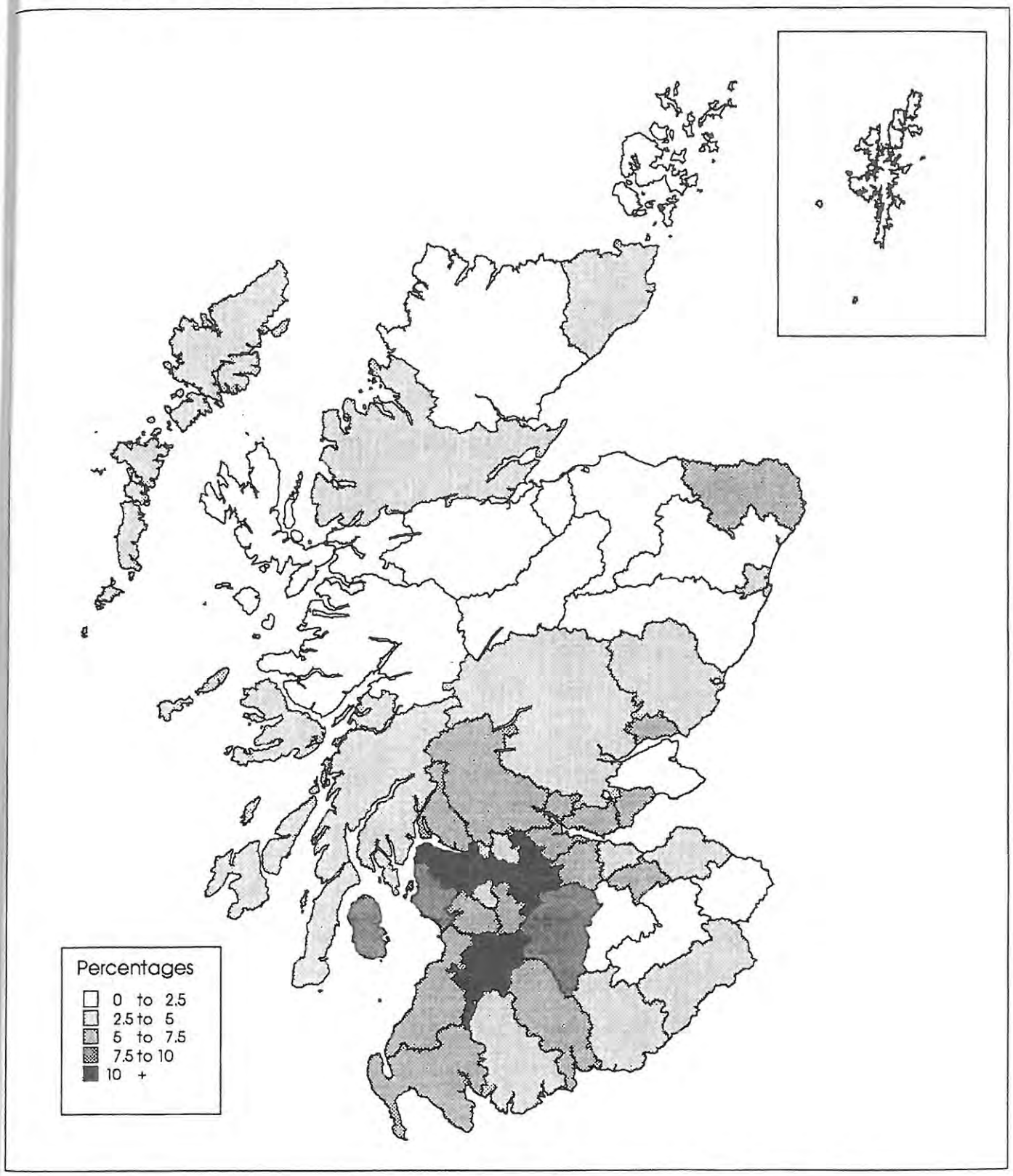
To be absolutely clear about the basis of this calculation, the starting point is the share of the male working age population recorded (by DSS data) as incapacitated due to ill-health or injury in August 1996 (12). This includes both long and short-term claimants. Our argument is that it is long-term or permanent 'sickness' that hides unemployment and therefore two deducations are made from the DSS data. The first is the share of the male working-age population

Figure 8: Estimated hidden unemployment among male ICB claimants, as a proportion of male working age population, England and Wales, August 1996



Data source: Department of Social Security
Boundary Source: UKBorders (ESRC/JISC Special Purchase)

Figure 9: Estimated hidden unemployment among male ICB claimants, as a proportion of working age male population, Scotland, August 1996



Data Source: Department of Social Security
Boundary Source: UKBorders (ESRC/JISC Special Purchase)

recorded as 'permanently sick' in each district by the 1981 Census (13). The second is a flat-rate deduction equal to 1.0 per cent of the male working-age population to allow for short-term claimants (14).

Table 16: Estimated 'hidden unemployed' among male Incapacity Benefit claimants, August 1996

	number	as % of resident 16-64 year old males
Wales	76,000	8.6
North East	66,000	8.3
North West	175,000	8.2
Scotland	114,000	7.2
Yorkshire and Humber	83,000	5.4
West Midlands	77,000	4.7
London	94,000	4.3
East Midlands	50,000	3.9
South West	41,000	2.8
Eastern	39,000	2.4
South East	49,000	2.0
GB	863,000	4.9

Source : Authors' estimates

On this particular measure, no fewer than 34 districts have hidden unemployment among ICB claimants equal to at least ten per cent of the entire male population aged 16 to 64. The very highest estimated rate - 20.3 per cent - is in Easington in County Durham. All the worst affected districts are in the industrial areas of northern England, Scotland and Wales - some of them big cities like Glasgow, Liverpool and Manchester, others smaller towns with a heritage of industries such

as coal or steel. In contrast, there is not a single London borough in the top fifty, despite the relatively high claimant unemployment in much of inner London. In much of southern and eastern England, outside London, there is little evidence of substantial hidden unemployment among male ICB claimants. Across Britain as a whole, this particular measure points to just over 850,000 hidden unemployed men - slightly more than the national estimates shown earlier but broadly the same order of magnitude.

By any standard these are exceptionally large numbers, especially in parts of northern Britain. The geographical distribution they reveal is also striking. In general, in the areas worst affected by industrial job losses in the 1980s and 90s, sickness-related benefits (above all Incapacity Benefit) now appear to hide the greatest part of the male unemployment problem.

It remains possible, of course, to quibble about the technical basis of these calculations. Indeed, no estimate can be perfect. However, in this case the estimates not only try to take account of underlying variation in the level of incapacitating sickness but also find strong support in the evidence from the survey areas.

In what sense unemployed?

It is important to be clear about the precise nature of this 'unemployment' among Incapacity Benefit claimants. In our earlier study we defined 'real unemployment' as ***those who might reasonably be expected to have been in work in a fully-employed economy***. This definition does not depend on whether an individual actually looks for work. Hence the fact that so few ICB claimants are presently looking for work does not affect our view that there are around three-quarters of a million hidden unemployed men on this benefit.

However, the fact that these men are mostly not now looking for work does indicate that if the national economy were to grow strongly and jobs were to be created they would not automatically be re-absorbed into employment. They are not part of the stock of unemployed workers from whom employers will choose. Likewise, since these men are mostly not competing for the available jobs they do not help exert a downward pressure on wage inflation. What seems to be happening is that for many the move onto Incapacity Benefit is a one-way ticket. Detachment from the labour market grows, skills become rusty, and the barriers to retrieval sometimes become insuperable.

At the extreme, some men have not only given up looking for work but also wanting it as well. The redundant miners in towns such as Barnsley typify this group. In local labour markets where the available jobs are scarce and generally poorly paid, it can be a perfectly rational choice to opt right out of the world of work. Conventional measures of unemployment are never likely to count these men. Especially in the districts where ICB claimants are most numerous, they appear to form a substantial proportion of the total.

But to focus on job search behaviour or lack of it, or indeed on job aspirations, misses the point. Since the 1970s, when full employment came to an end, the shortage of job opportunities has pushed large sections of the workforce to the very margins of the labour market. Britain does not have a non-means tested benefit for the long-term unemployed. A large part of the marginalised workforce has therefore opted for the next best thing, which is non-means tested sickness benefits. In doing so they have dropped out of the claimant unemployment figures and, because job search often seems fruitless and is not anyway a requirement of their benefit, out of the active labour market as well.

Ultimately it is the absence of full employment which has driven these individuals into their present predicament. As we have shown, in many cases their status as ICB claimants has been brought about by redundancy from employers with whom they might otherwise have continued for years. Even the coal industry had a

tradition of employing less physically-fit older workers in easier surface jobs. But these jobs have now gone. In so far as it is job loss and the absence of full employment which has driven ICB claimants to their current status, they should be regarded as hidden unemployed.

Yet just because so many of these men can be described as 'hidden unemployed' they should not be regarded as '100 per cent able-bodied'. Our argument is not that the reported disabilities are fictitious, and all the men in receipt of Incapacity Benefit will of course have had to obtain the necessary medical certification. In reality the workforce is not divided neatly into those who can work and those who cannot, as Incapacity Benefit rules imply. There is an extensive grey area between, which includes many men who are capable of work but with limitations on exactly what they are physically able to do. Some of these men are in employment, others are not.

In the slacker labour markets that have characterised the UK since the mid 1970s, especially in northern Britain, this intermediate group appears to have lost out badly in the scramble for jobs. Many of them are older, male manual workers, past their physical best. A great many of them have become Incapacity Benefit claimants.

So in arguing that many Incapacity Benefit claimants are in reality hidden unemployed we are not claiming that policies to promote full employment are the sole solution, though they would undoubtedly be the single most important step forward. What is also important is that the available jobs are compatible with the less than 100 per cent capabilities of these men, and that the men themselves receive the support that they sometimes need to secure and retain employment.

The Darling reforms

Although the central proposition of this paper - that Incapacity Benefit hides unemployment - is controversial, it has actually been accepted by the government. The spiralling number of Invalidity Benefit claimants was a key reason for the changeover to Incapacity Benefit, with its tougher medical tests. More recently, in October 1998 the Secretary of State for Social Security, Alistair Darling MP, introduced a series of further reforms which are to be carried forward into legislation. In the press release setting out his proposals, Mr Darling is quoted as saying:

> "Incapacity Benefit has strayed from its real role of helping people who have lost their income when they were forced to stop work by illness or disability. It is increasingly being claimed by people who have been unemployed - sometimes for years."

Speaking in the House of Commons on the same day Mr Darling said:

> ".... a quarter of men over 60 are on Incapacity Benefit because the previous government used it as a way in which to hide the unemployment figures."

The stated principle behind the government's proposed reforms is "work for those who can, security for those who cannot". Four measures are proposed that would change the way Incapacity Benefit operates:

* Introduction of a 'single gateway' to access the benefits system, including Incapacity Benefit, which will provide advice on employment opportunities and training.

* Replacement of the 'all work test' for ICB claimants by a new employability test, focusing more on what they can do. This will be part of the 'single gateway'.

* Introduction of means-testing by reducing Incapacity Benefit by 50p in the £1 for private pensions in excess of £50 per week.

* Tougher rules on eligibility for Incapacity Benefit to deny access to individuals without recent employment-based National Insurance credits.

The government does not intend to apply these new rules to existing ICB claimants. They will apply only to new claimants and therefore the full impact will take at least a decade to be felt.

Means-testing in response to private pensions will reduce the incentive to claim Incapacity Benefit. Our survey evidence shows that just over a third of male ICB claimants have pension income. Government figures indicate that the average pension income for ICB claimants is £85 per week (Department of Social Security 1998). Since this pension income would still be means-tested at a higher rate for JSA claimants the main effect is likely to be a reduction in payments rather than a shift to JSA. However, the effect of the claw-back would be to eliminate ICB entirely for those with larger pensions.

Our survey findings show that 20-25 per cent of male ICB claimants have moved directly from unemployment - some 300-350,000 men. Because of the new rules on National Insurance credits, some of these will not in future be able to move across. The government estimates that in the long run the effect of this will be to reduce the number of people on Incapacity Benefit by 170,000 (Department of Social Security 1998). In so far as they remain unemployed, they may qualify for Jobseeker's' Allowance.

The combination of the single gateway and the new employability test should also in theory reduce the number of ICB claimants who are in some way fit for work. Again, if they remain unemployed they may qualify for Jobseeker's' Allowance.

In addition there may be perverse effects which the government has not anticipated, or at least not articulated. Because long-term unemployment will disqualify an individual from Incapacity Benefit, there will be an added incentive to move quickly onto Incapacity Benefit rather than linger on Jobseeker's Allowance. Because more claimants will be thrust onto Jobseeker's Allowance, there will be less reason for their partners to remain in work, since their earnings would reduce benefit entitlement. More households could therefore become entirely workless.

However, assuming that the government's proposals are implemented in full the eventual impact could be substantial. Given that we have estimated that there are around three-quarters of a million hidden unemployed men on Incapacity Benefit, it would not be unreasonable to suppose that over ten years the number of male ICB claimants might be reduced by half a million. This assumes that the government's reforms are effective in reducing the inflow onto Incapacity Benefit, and that many of the existing claimants clustered in their 50s and early 60s, gradual reach retirement age. A similar proportional reduction among women would reduce the number of claimants by a further quarter of a million. While this may be good news from the point of view of public finances, such a big reduction would not be costless.

First, there is a risk of impoverishment. ICB claimants with a pension above £50 per week will find their benefit reduced. Those who find themselves on means-tested JSA will generally receive less than if they had been on Incapacity Benefit.

Second, unless there is a corresponding increase in job creation, which is by no means automatic, the effect of the reforms will be to increase claimant unemployment. Perversely, at one level this is welcome because it will bring claimant unemployment closer into line with the reality of joblessness. Via the requirement of Jobseeker's Allowance to look for work, the number of ILO unemployed should also rise. A shift from ICB to JSA is implicit in the reforms but it is not obvious that the government is braced for the scale of the impact. If just two-thirds of the possible reduction in the number of ICB claimants mentioned

above were to feed through to additional JSA claimants, the increase in claimant unemployment would be 500,000. This alone would add two percentage points to the claimant unemployment rate.

Third, the reforms are likely to lead to widening regional disparities in recorded unemployment. We have noted how hidden unemployment among ICB claimants is prevalent in localities where the labour market is weak and claimant unemployment is already highest. Whilst the present ICB claimants in these places would retain their status, as a result of the reform the generation following them is much less likely to have the Incapacity Benefit avenue available to them. They will have to remain on Jobseeker's Allowance. The effect will be to concentrate the increase in recorded unemployment in places such as Barnsley (among our survey areas) the Welsh Valleys, North East England, Clydeside, and parts of the North West. In these places a 50 per cent reduction in the number of ICB claimants, of which two-thirds fed through to an increase in the number of JSA claimants, would add no less than 6-10 percentage points to claimant unemployment.

Conclusions

Two misconceptions characterise virtually all debate about the UK labour market at the end of the 1990s. The first is that unemployment is fading as an economic problem. On official figures, at the end of the 1990s Britain has lower unemployment than at any time since the 1970s and lower unemployment than most of its European neighbours, or so the argument goes. The second misconception is that within Britain regional disparities have narrowed. On official figures again, unemployment in London is now at least as high as in many traditionally lagging regions.

What the evidence presented in this paper shows is that these perceptions are flawed. Nearly all commentators have ignored the impact of two benefit systems

running in parallel - one nominally for the sick, the other for the unemployed. Over time there has been a diversion between the two so that there are now more people of working age claiming sickness-related benefits than unemployment-related benefits. The diversion has been fuelled by the financial incentives created by different rates of benefit, but also by the difficult labour market circumstances in some parts of the country. Older, male manual workers - the group worst hit by redundancies in traditional industries - have made the shift onto Incapacity Benefit in the largest numbers.

There is nothing illegal in what these individuals have done. But looked at from a number of angles - their stated desire for work, the role of redundancy, and their location across the country - there is clear evidence of hidden unemployment. The figures presented in this paper suggest that among men alone there may be three-quarters of a million hidden unemployed on Incapacity Benefit.

The government is poised to try to drive Incapacity Benefit claimants back in the opposite direction - or more precisely to leave existing ICB claimants where they are and ensure that in future the unemployed cannot gain access to Incapacity Benefit. Assuming that the government's reforms succeed, recorded unemployment will once again move closer to reality. But it is not obvious that the government is aware of the scale of the change it is about to set in motion or the extent to which it will reveal the true level of distress in many of Britain's weakest local labour markets. It is also not obvious that the government has yet given much thought to how enormous numbers of older, poorly-qualified workers with varying disabilities and ailments can in future be given a meaningful role in the labour market.

Notes

(1) Prior to October 1996 unemployed claimants with sufficient National Insurance contributions were eligible for non-means tested Unemployment Benefit for the first 6 months (12 months prior to April 1996). Unemployed claimants who failed to qualify for Unemployment Benefit were eligible to claim means-tested Income Support.

(2) In 1998/99 the long-term (ie 12 months +) rate of Incapacity Benefit for a single adult without dependents was £64.70 per week, compared to £50.35 per week for the same person on Jobseeker's Allowance. Both figures exclude any additional benefit entitlement.

(3) This indicator consists of the following : males aged 25-65 claimant unemployed for 6 months or more at April 1997, plus males aged 25-65 who gave their economic status as retired, student or other inactive in the 1991 Census, plus males aged 25-64 in receipt of Incapacity Benefit, Severe Disablement Allowance or NI credits for incapacity. This total is expressed as a percentage of males aged 25-64 in the 1991 Census.

(4) This figure for JSA claimants includes 62 men who described themselves as 'unemployed' but said they were claiming Income Support, not JSA. Income Support is no longer available to unemployed claimants, having been replaced by income-based JSA in October 1996, but the two payments are effectively identical and easily confused.

(5) The numbers of interviews with ICB and JSA claimants in each of the survey localities were: Barnsley (200 and 80), Chesterfield (156 and 98), Northampton (134 and 70), rural areas (178 and 105).

(6) The original intention had been to weight the Barnsley/Chesterfield/Northampton data in the ratio of 1 : 4 : 5, to reflect the national distribution of 25-64 year old males. However, the national distribution of non-employed 25-64 year old males is skewed, suggesting a weighting of 25 : 40 : 35. The national distribution of individual sub-groups (eg ICB claimants, JSA claimants) also varies, suggesting

subtly different weightings. The rural data adds a further complication. The urban and rural data could be weighted in the ratio 12 : 5 (to reflect survey responses) or by a measure of population distribution (eg 4 : 1). Additionally, none of the survey areas covers a very large city. A simple unweighted pooling of all the survey responses gives slightly more weight to the Barnsley data, in particular, than otherwise would be the case. However alternative weightings generally make only marginal impact on the data presented.

(7) A second deduction, equal to 1.0 per cent of the male working age population, is also made to the sickness claimant data to allow for short-term (ie less than 6 months) Incapacity Benefit claimants. The national estimate of 'real unemployment' shown in Table 14 has been derived by summing the results of district- level calculations. Some districts have levels of sickness below the South East benchmark so the effect of summing district-level calculations is to produce a slightly higher figure than a single national calculation.

(8) The figure for rural areas is an estimate based on DSS data for districts in August 1996 and the distribution of 'permanent sickness' across wards in the survey areas in the 1991 Census.

(9) Number of permanently sick males aged 16+ as a proportion of all 16-64 year old males, as recorded by the 1981 Census. A small distortion arises because of the inclusion of some permanently sick males aged 65+, but most of these would normally be recorded as 'retired' in the relevant economic activity tables. The effect is to slightly reduce estimates of hidden unemployment based on this benchmark. As in estimates based on the South East benchmark, a further deduction equal to 1.0 per cent of the male working age population is also made to the sickness claimant data to allow for short-term Incapacity Benefit claimants.

(10) Details of earlier jobs were not recorded. A higher proportion are likely to have worked in the coal industry at some stage, given that some redundant miners will have had subsequent jobs before moving onto Incapacity Benefit.

(11) This is a deviation from the method used in Beatty, Fothergill, Gore and Herrington (1997) which used the South East in 1991 as the benchmark.

(12) Number of 16-64 year old men receiving Incapacity Benefit, Severe Disablement Allowance or NI credits for incapacity, as recorded by the Department of Social Security. The working age population from the 1991 Census is used as the denominator.

(13) This is calculated on the basis described in note 9.

(14) This figure is national share of the male working age population that in 1996 had been claiming Incapacity Benefit for less than six months.

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Appendix 1 - Logisitic regression analysis

Aim
The aim of the analysis was to investigate significant variables in predicting whether a non-employed man is an ICB claimant rather than a JSA claimant.

Method
The technique used is a logistic regression model. This type of technique can be used to estimate the probability of an event occurring and is therefore appropropriate where the dependent variable is 'yes' or 'no' - in this case whether a man is an ICB claimant.

Data
The regression has been carried out on all the survey respondents who were in receipt of Incapacity Benefit (668) or Jobseekers' Allowance (353). This is the same data as reported in the main body of the paper.

Variables
The independent variables tested were as follows:

AGE
HEALTH (poor health = those saying "can do no work" or "limited a lot")
PENSION INCOME
LUMP SUM REDUNDANCY PAY
PARTNER IN WORK
NO DEPENDENT CHILDREN
OWN HOME OUTRIGHT

Model
The model treats all the independent variables except age as a categorical indicator (ie as 1 or 0). For example, PENSION = 1 indicates a man has pension income, and 0 that he does not. The final model uses 'forward step likelihood ratio'. This enters significant variables to the model one by one until the model cannot be improved significantly by the addition of any further variables.

Results
The results from this analysis give the following variables in the equation:

Variables in the Equation

Variable	B	S.E.	Wald	df	Sig	R	Exp(B)
AGE	.04	.01	21.39	1	.000	.12	1.04
HEALTH	3.72	.26	203.54	1	.000	.39	41.11
PENSION	2.46	.33	56.61	1	.000	.20	11.65
Constant	-2.75	.40	47.79	1	.000		

This method found that age, health and pension are the only significant variables in predicting whether a man is an ICB or JSA claimant.

Some permutations of the basic model indicate that 'partner in work' is also a significant variable, but this is not consistent and the final, preferred model does not indicate that 'partner in work' is significant.

Goodness of fit

There are various ways of looking at how well the final model explains the data. The classification table below compares the observed values with the predicted values from the model. The model allocates 85 per cent of all cases correctly,

		Predicted		
		JSA claimant	ICB claimant	% correct
Observed	JSA claimant	319	32	90.9
	ICB claimant	115	553	82.8
Total				85.6

Appendix 2 - Estimated hidden unemployment among male ICB claimants, England and Wales, August 1996

Local Authority	Number	Percentage of male working age population	Local Authority	Number	Percentage of male working age population
1 Easington	6,200	20.3	41 Torfaen	2,700	9.5
2 Merthyr Tydfil	3,300	18.2	42 Sunderland	8,600	9.5
3 Knowsley	8,000	17.5	43 Doncaster	8,600	9.4
4 Port Talbot	2,700	17.0	44 Blackburn	3,900	9.4
5 Glasgow City	32,500	16.0	45 Middlesbrough	4,000	9.4
6 Monklands	5,200	16.0	46 Rossendale	1,900	9.3
7 Liverpool	20,300	14.8	47 Islwyn	2,000	9.3
8 Neath	2,900	14.3	48 Cunninghame	3,900	9.2
9 Barrow-in-Furness	3,300	13.8	49 Wigan	8,900	8.9
10 Rhondda	3,200	13.1	50 Gateshead	5,600	8.8
11 Clydebank	1,700	12.8	51 Hyndburn	2,100	8.7
12 Rhymney Valley	4,200	12.8	52 Rochdale	5,500	8.7
13 Manchester	15,400	12.6	53 Preseli Pembrokeshire	1,900	8.6
14 Blaenau Gwent	3,000	12.6	54 Tower Hamlets	4,200	8.6
15 Cumnock and Doon Valley	1,600	11.9	55 Wear Valley	1,700	8.5
16 Barnsley	8,300	11.7	56 Oldham	5,700	8.5
17 Llanelli	2,600	11.5	57 South Tyneside	4,000	8.3
18 Motherwell	5,200	11.5	58 Ilw Valley	1,600	8.3
19 Hamilton	3,700	10.9	59 Blyth Valley	2,100	8.3
20 Swansea	5,900	10.6	60 Sefton	7,200	8.3
21 St Helens	6,200	10.6	61 Langbaurgh-on-Tees	3,800	8.2
22 Rhuddlan	1,600	10.6	62 Newham	5,500	8.2
23 Wirral	10,400	10.4	63 Clydesdale	1,500	8.1
24 Wansbeck	2,000	10.4	64 Newcastle upon Tyne	6,500	8.1
25 Halton	4,000	10.4	65 Newport	3,300	8.1
26 Blackpool	4,600	10.4	66 Tameside	5,500	8.1
27 Salford	7,100	10.4	67 Chester-Le-Street	1,400	8.1
28 Cynon Valley	2,100	10.4	68 Ogwr	3,300	8.0
29 Cumbernauld and Kilsyth	2,100	10.2	69 Rotherham	6,400	7.9
30 Inverclyde	2,800	10.2	70 Bolton	6,400	7.8
31 Renfrew	6,300	10.1	71 Ynys Mon-Isle of Anglesey	1,700	7.8
32 Wrexham Maelor	3,700	10.1	72 Dwyfor	600	7.8
33 Burnley	2,800	10.1	73 Islington	4,100	7.8
34 Hartlepool	2,800	10.1	74 North Tyneside	4,500	7.6
35 Dinefwr	1,200	9.9	75 Camden	4,200	7.4
36 Pendle	2,500	9.9	76 Wakefield	7,400	7.4
37 Mansfield	3,100	9.8	77 Dundee City	3,700	7.3
38 Bolsover	2,200	9.7	78 Brighton	3,300	7.2
39 Sedgefield	2,800	9.7	79 Kingston Upon Hull	5,700	7.2
40 Derwentside	2,600	9.6	80 Copeland	1,700	7.2

	Local Authority	Number	Percentage of male working age population		Local Authority	Number	Percentage of male working age population
81	Barking and Dagenham	3,100	7.1	126	Dumbarton	1,400	5.8
82	West Lancashire	2,400	7.1	127	Chesterfield	1,800	5.8
83	Stoke-on-Trent	5,500	7.0	128	Delyn	1,300	5.8
84	Scunthorpe	1,300	7.0	129	Aberconwy	900	5.8
85	South Pembrokeshire	900	7.0	130	Great Yarmouth	1,500	5.8
86	Lancaster	2,600	6.9	131	Wolverhampton	4,400	5.8
87	Coventry	6,300	6.8	132	Hammersmith and Fulham	2,900	5.8
88	Wyre	2,100	6.8	133	Brecknock	700	5.8
89	Birmingham	20,000	6.8	134	Vale of Glamorgan	2,000	5.7
90	Kilmarnock and Loudoun	1,700	6.8	135	Weymouth and Portland	1,100	5.7
91	Bury	3,800	6.8	136	Durham	1,500	5.7
92	East Lindsey	2,400	6.7	137	Ealing	5,100	5.7
93	Torbay	2,300	6.7	138	Stirling	1,400	5.7
94	Cardiff	5,700	6.7	139	Kirklees	6,700	5.6
95	Taff- Ely	2,100	6.6	140	East Kilbride	1,500	5.6
96	Nottingham	5,400	6.6	141	Haringey	3,800	5.5
97	Kirkcaldy	3,000	6.6	142	Newark and Sherwood	1,800	5.5
98	Warrington	4,000	6.6	143	Sheffield	8,700	5.5
99	South Wight	1,000	6.6	144	Falkirk	2,500	5.5
100	Tamworth	1,500	6.6	145	Lambeth	4,400	5.4
101	City of London	100	6.5	146	Midlothian	1,400	5.4
102	West Lothian	3,100	6.5	147	Colwyn	800	5.4
103	Alyn and Deeside	1,500	6.5	148	Arfon	900	5.4
104	Clackmannan	1,000	6.4	149	Allerdale	1,600	5.3
105	Carmarthen	1,100	6.4	150	Holderness	900	5.3
106	Cannock Chase	1,900	6.3	151	Penwith	900	5.3
107	Stockton-on-Tees	3,500	6.3	152	Tendring	1,800	5.3
108	Ellesmere Port and Neston	1,600	6.3	153	The Wrekin	2,400	5.3
109	Southwark	4,300	6.3	154	Leicester	4,300	5.3
110	Montgomeryshire	1,000	6.3	155	Southampton	3,300	5.3
111	Ashfield	2,200	6.2	156	Luton	2,900	5.2
112	Hackney	3,500	6.2	157	Shepway	1,400	5.2
113	Wigtown	600	6.1	158	West Lindsey	1,300	5.2
114	Trafford	4,100	6.1	159	Hastings	1,200	5.2
115	Bassetlaw	2,100	6.1	160	Fylde	1,100	5.2
116	Bournemouth	2,700	6.0	161	Derby	3,600	5.2
117	Thanet	2,100	6.0	162	Lincoln	1,300	5.1
118	Preston	2,400	6.0	163	Medina	1,100	5.1
119	Nuneaton and Bedworth	2,300	6.0	164	Banff and Buchan	1,400	5.1
120	Kyle and Carrick	2,100	6.0	165	Nithsdale	900	5.1
121	Darlington	1,800	6.0	166	Corby	800	5.0
122	Dunfermline	2,400	5.9	167	Walsall	4,200	5.0
123	Sandwell	5,400	5.9	168	Exeter	1,500	5.0
124	Bradford	8,200	5.9	169	Ceredigion	1,000	4.9
125	Norwich	2,200	5.8	170	North Devon	1,300	4.9

Local Authority	Number	Percentage of male working age population
171 Brent	4,000	4.9
172 Westminster, City of	2,900	4.9
173 Chester	1,800	4.9
174 Dover	1,600	4.9
175 Monmouth	1,200	4.9
176 Vale Royal	1,800	4.8
177 Greenwich	3,000	4.8
178 Ross and Cromarty	700	4.7
179 North East Derbyshire	1,500	4.7
180 Scarborough	1,500	4.7
181 Stockport	4,300	4.7
182 Argyll and Bute	900	4.7
183 Portsmouth	2,500	4.6
184 Carlisle	1,400	4.6
185 Eastbourne	1,000	4.5
186 South Ribble	1,500	4.5
187 Caithness	400	4.5
188 Restormel	1,200	4.5
189 Boothferry	900	4.5
190 North Norfolk	1,200	4.4
191 East Yorkshire	1,100	4.4
192 Enfield	3,600	4.4
193 Edinburgh City	5,800	4.3
194 Hove	1,100	4.3
195 Lewisham	3,100	4.3
196 Aberdeen City	2,900	4.3
197 Dudley	4,300	4.3
198 Newcastle-under-Lyme	1,600	4.2
199 Calderdale	2,500	4.2
200 Bristol	5,000	4.2
201 Hounslow	2,800	4.1
202 Fenland	1,000	4.1
203 East Staffordshire	1,300	4.1
204 West Devon	600	4.1
205 Eastwood	800	4.1
206 Crewe and Nantwich	1,300	4.0
207 Gloucester	1,300	4.0
208 Peterborough	1,900	3.9
209 Plymouth	3,100	3.9
210 Waltham Forest	2,700	3.9
211 Staffordshire Moorlands	1,200	3.9
212 Waveney	1,200	3.9
213 Strathkelvin	1,100	3.9
214 Chorley	1,200	3.8
215 Leeds	8,200	3.8
216 Rugby	1,000	3.8
217 Glyndwr	500	3.7
218 Torridge	600	3.7
219 West Somerset	300	3.7
220 Redbridge	2,700	3.7
221 Alnwick	300	3.7
222 Kensington and Chelsea	1,800	3.7
223 Radnorshire	300	3.7
224 North West Leicestershire	1,000	3.7
225 Havering	2,700	3.7
226 South Staffordshire	1,300	3.6
227 Gedling	1,300	3.6
228 Stafford	1,400	3.6
229 Thurrock	1,500	3.6
230 Angus	1,100	3.6
231 Meirionnydd	400	3.6
232 Milton Keynes	2,000	3.6
233 East Lothian	900	3.5
234 Perth and Kinross	1,300	3.5
235 Ipswich	1,300	3.5
236 South Derbyshire	800	3.5
237 Swale	1,300	3.5
238 Annandale and Eskdale	400	3.5
239 High Peak	1,000	3.4
240 South Holland	700	3.4
241 Erewash	1,200	3.4
242 Welwyn Hatfield	1,000	3.4
243 Arun	1,200	3.3
244 Oswestry	300	3.3
245 Glanford	800	3.3
246 King's Lynn and West Norfolk	1,300	3.3
247 Eden	500	3.3
248 Harlow	800	3.3
249 Sedgemoor	1,000	3.3
250 Southend-On-Sea	1,500	3.3
251 South Shropshire	400	3.3
252 Kettering	800	3.2
253 Basildon	1,700	3.2
254 Berwick-upon-Tweed	300	3.2
255 Western Islands	300	3.2
256 Kerrier	900	3.2
257 Roxburgh	400	3.2
258 Breckland	1,100	3.2
259 Amber Valley	1,200	3.2
260 Stewartry	200	3.1

Local Authority	Number	Percentage of male working age population	Local Authority	Number	Percentage of male working age population
261 North Warwickshire	600	3.1	306 Wyre Forest	800	2.5
262 Broxtowe	1,100	3.1	307 Wandsworth	2,100	2.5
263 Reading	1,300	3.1	308 Carrick	600	2.5
264 Purbeck	400	3.1	309 Wansdyke	600	2.4
265 Cambridge	900	3.1	310 Maldon	400	2.4
266 Great Grimsby	900	3.1	311 Castle Point	700	2.4
267 Boston	500	3.0	312 Caradon	600	2.4
268 Lichfield	1,000	3.0	313 North Hertfordshire	900	2.4
269 Forest of Dean	700	3.0	314 Sutton	1,300	2.4
270 Bath	700	3.0	315 Gillingham	700	2.4
271 Adur	500	3.0	316 Merton	1,300	2.4
272 Lewes	700	3.0	317 Moray	600	2.4
273 Gosport	700	2.9	318 Ashford	700	2.4
274 Woodspring	1,600	2.9	319 Rushmoor	700	2.4
275 South Lakeland	900	2.9	320 Crawley	700	2.3
276 Redditch	700	2.9	321 Oadby and Wigston	400	2.3
277 Bearsden and Mingavie	400	2.9	322 Canterbury	800	2.3
278 Kingston upon Thames	1,300	2.9	323 Barnet	2,100	2.3
279 Harrow	1,800	2.8	324 Braintree	900	2.2
280 Tewkesbury	600	2.8	325 South Hams	500	2.2
281 Solihull	1,800	2.8	326 North Cornwall	500	2.2
282 Epping Forest	1,000	2.8	327 Hinckley and Bosworth	700	2.2
283 Warwick	1,000	2.8	328 Oxford	800	2.2
284 Slough	900	2.7	329 Macclesfield	1,100	2.2
285 Cheltenham	900	2.7	330 Bridgnorth	400	2.2
286 Hereford	400	2.7	331 Christchurch	200	2.2
287 York	800	2.7	332 Hertsmere	600	2.1
288 Stevenage	700	2.7	333 Teignbridge	700	2.1
289 Taunton Deane	800	2.7	334 Inverness	400	2.1
290 Cleethorpes	600	2.7	335 Leominster	300	2.1
291 South Somerset	1,200	2.7	336 Rochester upon Medway	1,000	2.1
292 Bexley	1,900	2.7	337 North Bedfordshire	900	2.1
293 Shrewsbury and Atcham	800	2.7	338 Worcester	500	2.1
294 Worthing	700	2.6	339 Derbyshire Dales	400	2.0
295 Croydon	2,700	2.6	340 Daventry	400	2.0
296 Hillingdon	2,000	2.6	341 Colchester	900	2.0
297 Havant	1,000	2.6	342 Maidstone	900	2.0
298 Rushcliffe	800	2.6	343 Selby	600	2.0
299 Gravesham	800	2.6	344 North Shropshire	300	1.9
300 Watford	600	2.6	345 Cherwell	800	1.9
301 Northampton	1,500	2.6	346 Mid Devon	400	1.9
302 New Forest	1,200	2.6	347 Poole	800	1.9
303 Broxbourne	700	2.5	348 Lochaber	100	1.9
304 Teesdale	200	2.5	349 Ryedale	500	1.8
305 Bromley	2,300	2.5	350 Stroud	600	1.8

Local Authority	Number	Percentage of male working age population	Local Authority	Number	Percentage of male working age population
351 Kingswood	500	1.8	396 East Hampshire	400	1.0
352 East Yorks, Beverley	600	1.8	397 North Dorset	200	1.0
353 South Bedfordshire	600	1.8	398 Elmbridge	400	1.0
354 Tonbridge and Malling	600	1.8	399 Stratford-upon-Avon	300	1.0
355 Thamesdown	1,000	1.8	400 North Kesteven	200	0.9
356 Bracknell Forest	600	1.8	401 East Dorset	200	0.9
357 Tunbridge Wells	500	1.7	402 St Edmundsbury	300	0.9
358 Spelthorne	500	1.7	403 East Northamptonshire	200	0.9
359 North Wiltshire	600	1.7	404 Chichester	300	0.9
360 Hambleton	400	1.7	405 Badenoch and Strathspey	-	0.9
361 Sutherland	100	1.7	406 Northavon	400	0.9
362 Gordon	400	1.6	407 Forest Heath	200	0.9
363 Guildford	600	1.6	408 East Cambridgeshire	200	0.9
364 Harrogate	700	1.6	409 Runnymede	200	0.8
365 Wellingborough	300	1.6	410 Mid Suffolk	200	0.8
366 Melton	200	1.5	411 Aylesbury Vale	400	0.8
367 West Wiltshire	500	1.5	412 Waverley	300	0.7
368 Huntingdonshire	700	1.5	413 Suffolk Coastal	200	0.7
369 Bromsgrove	400	1.5	414 South Northamptonshire	200	0.7
370 Chelmsford	800	1.5	415 Windsor and Maidenhead	300	0.7
371 Fareham	500	1.5	416 Broadland	200	0.7
372 Mendip	400	1.4	417 Skye and Lochalsh	-	0.6
373 Blaby	400	1.4	418 Rother	100	0.6
374 Congleton	400	1.4	419 West Dorset	200	0.6
375 Salisbury	500	1.4	420 Wycombe	300	0.6
376 North East Fife	300	1.4	421 Mid Sussex	200	0.6
377 Dacorum	600	1.4	422 Reigate and Banstead	200	0.6
378 Rochford	300	1.4	423 Basingstoke and Deane	300	0.5
379 Rutland	100	1.4	424 Tynedale	100	0.5
380 Sevenoaks	500	1.3	425 Richmondshire	100	0.5
381 Craven	200	1.3	426 Horsham	200	0.5
382 South Norfolk	400	1.3	427 South Oxfordshire	200	0.5
383 Eastleigh	500	1.3	428 South Kesteven	100	0.4
384 Wychavon	400	1.3	429 Wealden	200	0.4
385 Babergh	300	1.3	430 Kincardine and Deeside	100	0.4
386 East Devon	400	1.3	431 Mole Valley	100	0.4
387 Richmond upon Thames	600	1.2	432 Surrey Heath	100	0.3
388 Nairn	-	1.2	433 Woking	100	0.3
389 East Hertfordshire	500	1.2	434 Uttlesford	100	0.3
390 Chiltern	300	1.1	435 Wokingham	100	0.3
391 Charnwood	500	1.1	436 Harborough	100	0.2
392 Tweeddale	100	1.1	437 Ettrick and Lauderdale	-	0.2
393 Newbury	500	1.1	438 Winchester	-	0.2
394 Malvern Hills	300	1.1	439 West Oxfordshire	-	0.2
395 Test Valley	400	1.1	440 Dartford	-	0.1

Local Authority	Number	Percentage of male working age population
441 South Cambridgeshire	-	0.1
442 Brentwood	-	0.0
443 Mid Bedfordshire	-	0.0
444 South Buckinghamshire	-	0.0
445 Hart	-	0.0
446 St Albans	-	0.0
447 Three Rivers	-	0.0
448 Vale of White Horse	-	0.0
449 Epsom and Ewell	-	0.0
450 Tandridge	-	0.0
451 Isles of Scilly	0	0
452 Cotswold	0	0
453 Kennet	0	0
454 South Herefordshire	0	0
455 Ribble Valley	0	0
456 Castle Morpeth	0	0
457 Berwickshire	0	0
458 Orkney Islands	0	0
459 Shetland Islands	0	0

NB: Districts pre 1996

Source : Authors' estimates based on DSS and Census of Population data

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