

TABLE 4.1

Changes affecting the unemployment count, October 1979 to June 1988

Date	Change in Unemployment Count	Estimated effect on monthly count#
Oct 1979	Change to fortnightly payment of benefits.	+20,000
Oct 1979	Compensating downward adjustment to published seasonally adjusted totals.	-20,000
Feb 1981	First published estimate of register effect of special employment and training measures (coverage increased from 250,000 participants at start of 1979 to 668,000 by Jan '86).	-370,000 (-495,000 Jan 1986)
July to Oct 1981	Seasonally adjusted figures for these months reduced by 20,000 to compensate for effect on count of emergency procedures to deal with DHSS industrial action.	-20,000
July 1981	Unemployed men aged 60 and above, drawing supplementary benefit for a year or more given option of long-term rate in return for not registering for work.	-30,000 by May 1982
July 1982	Taxation of Unemployment Benefit. Suggested that this might have reduced count by encouraging single parents to switch to (untaxed) supplementary benefit.	no estimate available
Oct 1982	Change in definition and compilation of monthly unemployment figures from a clerical count of people registered for work at Jobcentres and careers offices to a computer count covering only benefit claimants. (In addition, the estimated effect on the number of school leavers recorded).	-170,000 to -190,000
Oct 1982	Monthly publication of number of unemployed people seeking part-time work (less than 30 hours a week) discontinued. Final figure - for September 1982. onto supplementary benefit.	-26,000*
June 1983	As a result of provision introduced in November 1980 barring school-leavers from claiming benefit until September each year, together with change in monthly count to claimants only in October 1982 unemployed school leavers are missed from the figures for June, July and August each year.	-52,204 Aug 1983
Oct 1984	Change in CP eligibility rules. Entry now limited to unemployed benefit claimants only.	-100,000 to -200,000
July 1985	Reconciliation of Northern Ireland DHSS records with computer records.	-29,000 by Jan 1986*
		-5,000

July 1985	Payment of unemployment benefit in arrears.	no estimate available
March 1986	Introduction of a two week delay in publication of monthly unemployment count to 'improve accuracy'.	-40,000 to -90,000 (average -50,000)
June 1986	New method of calculating unemployment rate, using a larger denominator. Initially this was published between alongside rate calculated on old basis but from and September 1986 the new count has now replaced it.	-1% -1.5% (typically -1.4%)
Oct 1986	Abolition of right to half and three-quarter rate Unemployment Benefit for people with insufficient NI contributions to qualify for full rate (decision announced on 15th January 1986).	-24,000 after 1 year
Oct 1986	Voluntary unemployment deduction to Unemployment Benefit extended from 6 to 13 weeks.	-30,000 after 2*
Oct 1986 to Jan 87	Introduction of tighter availability for work test.	-2,000 to -3,000
April 1988	Further extension of the maximum period for voluntary unemployment deductions.	-95,000 after 1 year -120,000 after 2*
April 1988	Reduction of definition of part-time from 30 hours to 24 hours; reduced number who can claim IS	-12,000*
June 1988	Size of denominator used in calculating unemployment percentage rates increased.	no estimate -0.1%

#Estimated effects are those published by the Department of Employment except where marked.

*Estimated effect derived from Department of Employment, DHSS or Treasury data by the Unemployment Unit.

Some of the most clearly ambiguous cases which we have mentioned in earlier chapters are unemployed men over sixty who were granted the long-term benefit rate if they withdrew from the labour market, and those without employment but on government training schemes who are not regarded as unemployed. In July 1989 Special Employment Measures accounted for 542,589 people who might otherwise have been included in the unemployment statistics (Working Brief, Oct. 1989). A Bank of England report (Dicks and Hatch, 1989) in July 1989 stated: 'Our results suggest that although unemployment is falling because there are more jobs, it is also true that much of the decline in the claimant count which has occurred since mid-1986 has been due to a shift in the unemployment/employment relationship resulting from changes in the Government's range of Special Employment Measures - especially the introduction of more rigorous availability for work tests and the rapid growth of the Restart programme' (p.29)

The government's defence against allegations of misrepresentation to lower the count is that earlier procedures for counting the unemployed yield overestimates. Survey data, notably from the UK Labour Force Survey (LFS), offer an alternative to the claimant count, following