ARTICLE

Unemployment and inactivity in the 2008–2009 recession

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SUMMARY

This article looks at the pattern of worklessness, that is unemployment and inactivity, in the latest recession. Compared to previous recessions, the rise in unemployment has been small relative to the fall in Gross Domestic Product. Likewise, numbers receiving workless benefits other than for unemployment are not rising, in contrast to the two previous economic downturns. This suggests that labour market policies introduced since 1996 have, so far, been effective. However, the ability for new policies to withstand a rise in long-term unemployed is yet to be tested.

The UK experienced twelve years of near continuous decline in unemployment after 1993, following the double digit rates experienced in the early 1990s (and before that in the first half of the 1980s). Thereafter, the unemployment rate, measured on the ILO/OECD basis, hovered around 5 per cent until 2008, the lowest it had been for some thirty years. While long-term unemployment had fallen considerably going into the recession, many of the problems that had emerged in the previous downturns had not been rectified fully by the time the labour market turned. These reflect a drift toward long-term disconnection from work for large numbers reporting themselves as being economically inactive rather than unemployed and the related large numbers of people claiming sickness and disability benefits.

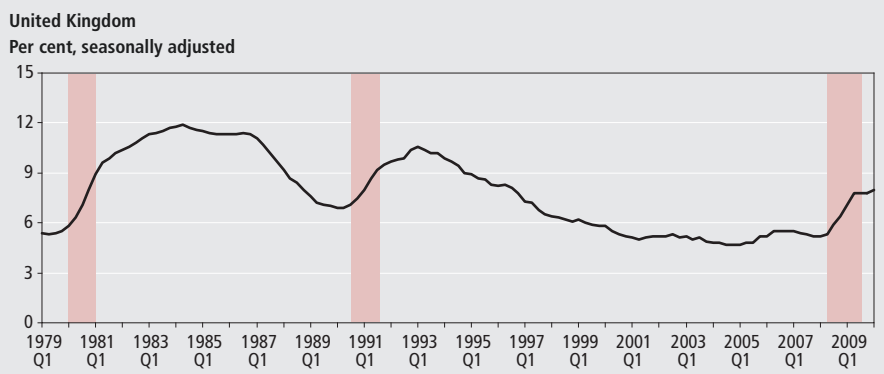
Labour market policy over the long recovery shifted dramatically compared to that in previous recessions. This is the first recession since the advent of Job Seekers Allowance, tax credits, and a raft of schemes in place, centred on the various New Deals programmes that were designed to help maintain job search effectiveness, facilitating the return to work and addressing the problems associated with long-term unemployment. This article aims to assess these patterns through the latest recession.

In summary, a number of less obvious and surprising patterns of worklessness emerged in the latest downturn. Firstly, the rise in unemployment has been small relative to the fall in GDP. Further, patterns of worklessness across the population are showing marked differences from past recessions. Likewise the numbers receiving the other major workless benefits than unemployment, mainly Income Support for lone parents and incapacity benefits, are not rising. This is in sharp contrast to the last two recessions, when dependency grew by between 750,000 and 1 million.

Unemployment in the recession

With the 1980/81 recession unemployment, on the internationally agreed ILO basis, rose from just over 5 per cent of the workforce to 12 per cent, with a third of the rise occurring after the recession had ended, (see **Figure 1**). Unemployment did not start to fall consistently until 1986, some 5 years after the recession end. The peak in the 1990s was lower but still in excess of 10 per cent. Around a quarter of the rise occurred after the recession had ended. This delay in unemployment falling with the recovery is partly due to employment decisions lagging about 6 months behind output, partly due to a period of weak growth in the early stages of the recovery and partly due to population growth outstripping employment growth. This last factor being very strong in the early 1980s as the 1960s baby boom generation entered the labour market. The period from 1999 to 2007 saw a long period of broadly stable low unemployment at or slightly below the levels of the late 1970s. In this recession the rise in the unemployment has been sharp but short. The fall in GDP has been greater than in either of the previous two

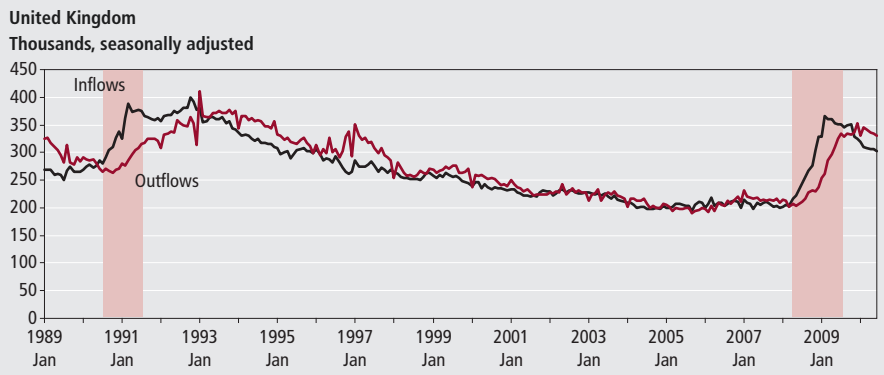
Figure 1
International agreed ILO unemployment rate,[1] Q1 1979 to Q1 2010[2]



Notes: *Source: ONS Labour Force Survey*

1 Unemployment rate is for those aged 16 and over
2 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

Figure 2
Claimant count flows, January 1989 to June 2010[1]



Note: *Source: ONS Jobcentre Plus administrative data*

1 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

recessions but the 3 percentage points rise in unemployment since the onset of the recession is in line with that of the milder 1990s recession and modest compared to that in the 1980s. Unemployment even stabilised for a period before the recession had ended. This appears to have been due to an unprecedented increase in young people staying on in education in the Autumn of 2009 rather than increased employment. With moderate population growth unemployment is likely to continue rising until growth approaches 2.5 per cent per annum.

It is perhaps not realised the extent to which people move in and out of work. In any 3 month window, some 1 million people move into work and 1 million stop working. In a recession period, there are small but important shifts in these patterns. An additional 100,000 more people lose work each quarter and 50,000 fewer gain work, leading to unemployment rising by 150,000 or so. What shifts more markedly is that vacancies are filled much faster. Indeed the numbers of unfilled vacancies, registered at Job Centres, have fallen from around 700,000 to 430,000 over the latest recession. So whilst it is true that there are still jobs available, the problem is that there are less of them and with more competition it means that it takes longer for any one person to get a job.

Comparing employment patterns on two dates a year apart, around 5 per cent of the working age population have stopped working even in the tight labour market around 1999 to 2005. About half of these became unemployed and the other half economically inactive through looking after children, ill health and so on. Likewise half of the unemployed will have moved into work (another fifth will stop looking for work) and about a fifth of the inactive return to the labour force. During a recession the flow out of employment increases but these employment outflows in this recession have been lower than in previous recessions, with 6.5 per cent of those in leaving employment, compared to around 8 per cent in the last two recessions. Similarly the outflow from unemployment into employment remained higher this time round than in past downturns, with 35 per cent of those unemployed getting work compared to 30 per cent in the previous recessions. As a result, the proportion of the unemployed still out of work a year later remained lower than in previous downturns. However outflows from inactivity into employment are as low in this recession as in previous ones. The net result of all these flows is that lower unemployment in this recession has been driven by lower rates of job loss and slightly higher return to work rates than in past recessions, but that the low flows in and out of inactivity mean that the inactive population remains very marginalised.

The extent of moves in and out of work is perhaps even clearer in the numbers starting and stopping claims for unemployment benefits (JSA). These account for around 60 per cent of all the unemployed, as many people who are on other benefits or no benefits still actively seek work. It is perhaps not widely appreciated that in a downturn the numbers becoming unemployed and the numbers who return to work both rise (**Figure 2**). However whilst the number finding new jobs rises, it does so more slowly than increases in newly unemployed, so the total rises. Furthermore, with the rise in unemployment, the time it takes for each person to find a new job starts to rise. Inflows into unemployment drive initial rises in unemployment, so that the stock is dominated by short-term unemployed. As the recession draws to a close those in the initial surge of new claims, who have not found work become the long-term unemployed. This then is driven by the extent of outflows.

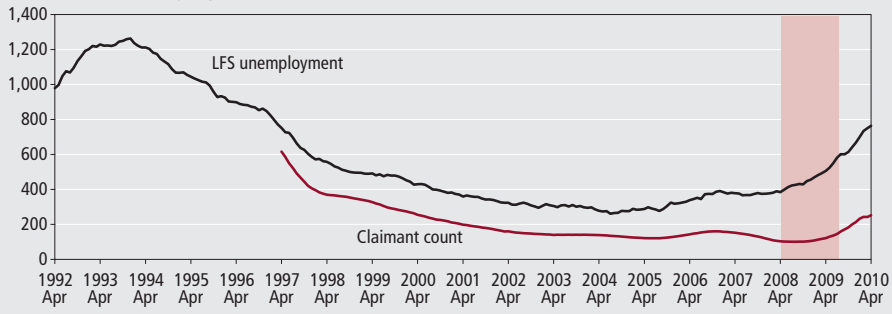
Figure 2 maps on the patterns of new claims for unemployment benefit alongside outflows from unemployment benefit, back to 1989. The numbers of new claims in this recession looks similar to the last one, however the numbers in employment are much larger this time (by around 3 million), so that the *inflow rate*, as a percentage of employment, is lower this time round. A more striking difference is that claims ending (outflows) have risen much quicker in this recession and this is helping to keep unemployment rates down but even more so long-term unemployment.

Long-term unemployment

Long-term unemployment typically begins to rise around one year after the initial rise in total unemployment and may often continue to rise even when the total

Figure 3
Long term unemployment[1] and claimant count,[2] April 1993 to April 2010[3]

United Kingdom
Thousands, seasonally adjusted



Notes: *Source: ONS Labour Force Survey and Jobcentre Plus administrative data*

1 The long-term unemployed are those aged 18 and over who have been unemployed for 12 months.
2 Claimants for over 12 months, aged 18 and over.
3 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

Table 1
Unemployment rates[1] by age, education and gender

United Kingdom — Per cent

	1979	1986	1993	2007	2009
Men					
High education[2]					
16-24	*4.4*	*12.7*	*14.5*	*8.8*	*14.6*
25-49	*2.4*	*5.1*	*6.8*	*2.7*	*3.8*
50+	*2.4*	*5.6*	*9.1*	*3.0*	*4.5*
Low education[3]					
16-24	*14.1*	*26.4*	*24.6*	*21.0*	*26.4*
25-49	*6.3*	*14.5*	*14.3*	*6.6*	*9.7*
50+	*4.4*	*10.0*	*14.5*	*5.2*	*7.5*
Women					
High education[2]					
16-24	*5.3*	*10.4*	*9.0*	*7.2*	*10.8*
25-49	*4.8*	*7.7*	*4.7*	*2.7*	*3.4*
50+	*3.1*	*4.1*	*4.5*	*2.1*	*2.5*
Low education[3]					
16-24	*16.4*	*24.2*	*16.7*	*16.4*	*19.6*
25-49	*6.4*	*10.3*	*8.5*	*6.2*	*8.1*
50+	*4.4*	*6.4*	*7.2*	*3.3*	*4.3*

Notes: *Source: Labour Force Survey (authors' calculations)*

1 Population of working age, not including students.
2 High education is top 50% based on level of educational attainment.
3 Low education is bottom 50% based on level of educational attainment.

unemployment first starts to fall again. In previous recessions, LFS-based long-term unemployment (12 months spell or longer), reached 1.2 million, some 40 per cent of the unemployed. Long-term unemployment is rising again and had reached 700,000 or 25 per cent of the workforce by early 2010. The numbers of long-term claimants for unemployment benefits (JSA) tends to be lower than the numbers of people who have not worked in the last year (LFS), (**Figure 3**). Since JSA and the New Deal schemes were introduced in the mid-late 1990s this gap has widened sharply. Yet the numbers who have claimed JSA for over a year remains extremely low in this recession. The gap is partly explained by reporting differences. The claimant count is administrative data and any break, even for just two weeks is treated as a new claim. Hence, very short periods of work and even interruptions in claims for administrative reasons can prevent a person being counted as long-term unemployed. By contrast the ILO is based on recalling a person's last job, meaning that small pieces of work or periods when not looking for work are likely to be discounted. The person may be looking back to their last period of sustained work. In addition a lot of those looking for work are not claiming JSA and may refer to a period of time as being unemployed when they were looking after children or were sick. Even so the growing divergence in this recession is striking.

Unemployment across groups

The experience of unemployment is also far from even in the population. Unemployment has always varied by factors such as age, education, gender, ethnicity and region. Often the combination of these characteristics acts to make job prospects rather bleak for a significant minority. In good times, relative prospects tend to improve for these most disadvantaged groups. In bad times, relative prospects for the most disadvantaged worsen. **Table 1** gives a flavour of how a combination of three factors, age, education and gender interact to produce contrasting labour market performance over time.

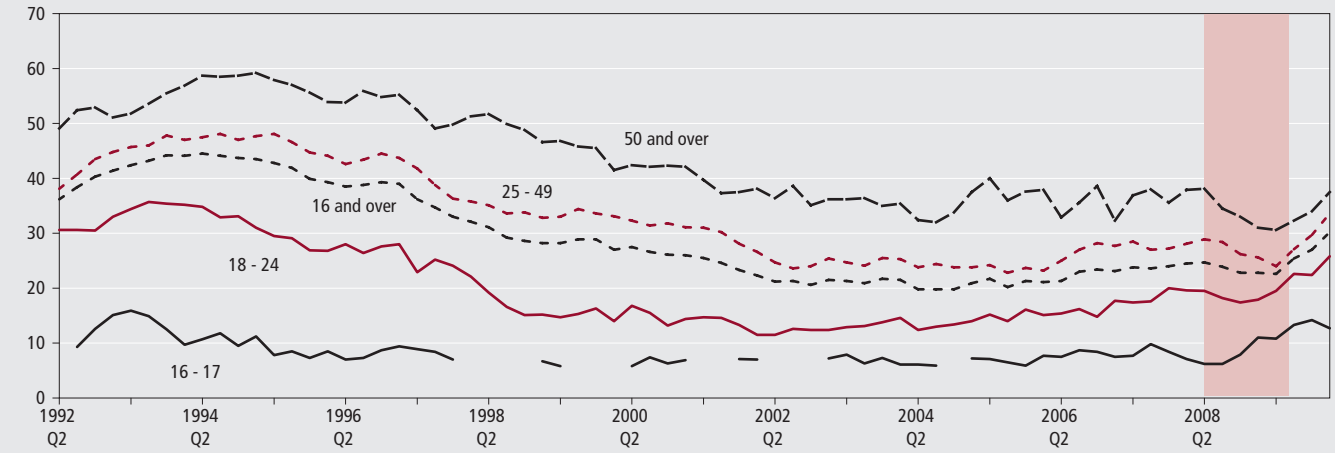
It is clear that lower levels of education and youth combine to generate poor labour market prospects. Disadvantage amongst the young has been a long standing feature of the labour market. As a general rule of thumb, the youth unemployment rate is always double the adult rate. However younger workers, as **Figure 4** shows, typically have much shorter spells of unemployment than others. So while the risk of unemployment is higher among the young, so are the chances of escaping it. There are however recent concerns that, for some youths, the chances of escaping unemployment are not that high. Unemployment rates among less educated young people in the latest recession were as bad as those of previous recessions, whilst the situation for older workers is much better. In this recession, youth unemployment rates are nearer three times that of prime age adults, rather than double as in the past. The share of long-term unemployed among younger workers in 2009 was also much closer to the share among older workers than in the past.

Scarring effects of unemployment

Over a five year window, around 1 in 3 men will make a claim for unemployment benefits. Yet most days of unemployment are accounted for by a small number of individuals. This is because long term unemployment ultimately affects only a

Figure 4
Long-term unemployment[1] by age, Q2 1992 to Q1 2010[2,3]

United Kingdom
Percentages, seasonally adjusted



Notes:
1 The long-term unemployed are those who have been unemployed for 12 months.
2 Some data points for 16-17 year olds suppressed due to small sample sizes.
3 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

Source: ONS Labour Force Survey

Table 2
The effect of unemployment on the later experience of unemployment

Group type at age 23	Percentage of sample	Average percentage time spent unemployed between ages 28 and 33 (Per cent of group with any unemployment in this interval)	Average percentage time spent economically inactive between ages 28 and 33 (Per cent of group with any economic inactivity in this interval)
No spell of unemployment	*58.6*	*1.4*	*2.3*
		(7.5)	*(9.6)*
1-5 months of unemployment	*22.5*	*2.6*	*3.7*
		(13.8)	*(15.6)*
6-12 months of unemployment	*10.1*	*5.3*	*7.1*
		(21.4)	*(24.6)*
13+ months of unemployment	*8.7*	*18.5*	*22.9*
		(40.0)	*(46.8)*

Source: NCSD Cohort Men aged 23 in 1981

minority, but also because some people experience a large number of repeat spells of unemployment, often moving frequently between employment and unemployment. Information on an individual's lifetime exposure to unemployment and inactivity can be determined from data on birth cohorts where all those born in a given week are tracked for the rest of their lives. The National Child Development Survey, (NCDS) of 1958 followed a group who were aged 21 at the onset of the 1980s recession. Research (Gregg, 2001 and Gregg and Tominey 2005) has shown that those among the 1958 birth cohort who experienced extended spells out of work in the 1980s recession went on, through to the age of 44, to experience much more time out of work, substantially lower wages and poorer health than others.

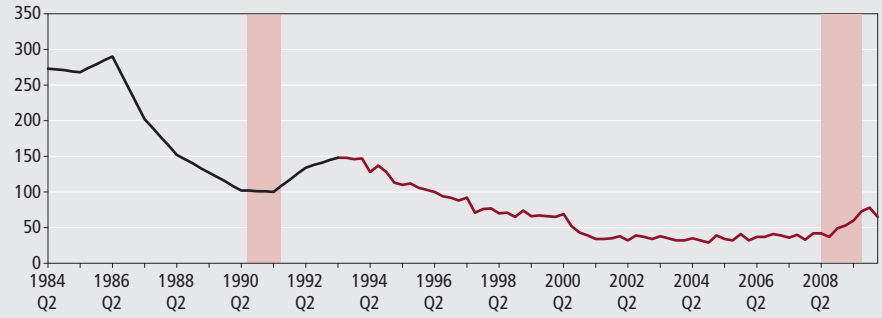
Table 2 shows that around 9 per cent of the male 1958 birth cohort had experienced a year or more out of work by the age of 23, but that more than half the cohort had experienced no unemployment at all. Those with lots of experience of unemployment often had more than one jobless spell, rather than being unemployed for a single long spell. The table then shows that those with long periods of unemployment went on to spend nearly 20 per cent of their life between the age of 28 and 33 unemployed and another 20 per cent of this interval economically inactive. Gregg (2001) suggests that around half of these scars are due to the long exposure to unemployment itself and the rest due to other factors like poor education, family background or residence in a depressed neighbourhood. For these groups there is a failure to connect to stable employment and jobs offering experience and training that can lead to higher wages. So the justification for intervention to prevent long or frequent periods out of work or education among young people does not rest just on the current unemployment, but on the long term scars that these young people experience and potentially feed into the next generation. These scarring effects are not confined to young people (see Gregory and Jukes, 2001 for the UK) but they are more common for this age group.

Broader measures of unemployment

According to the international (ILO/OECD) measure of unemployment an individual is deemed to be unemployed if they are not in work but have looked work in the last four weeks and are ready to start any job within two weeks. This is quite restrictive in that when unemployment is high, many people give up looking for work and become economically inactive. Some of these individuals are known as discouraged workers if they notify surveys that they are not searching for work because they believe that no jobs are available. Under-employment is also an issue in recessions, because some people will take part-time work if they can't find full-time work. **Figure 5** shows the numbers of discouraged workers since 1983. The numbers, never particularly high, have been in long-term decline with brief interruptions in recession periods. Numbers rose in the latest downturn, but were well below that of the boom period in 1989, let alone the subsequent recession. The peak of

Figure 5
Discouraged workers,[1] Q2 1984 to Q1 2010[2,3]

United Kingdom
Thousands, seasonally adjusted

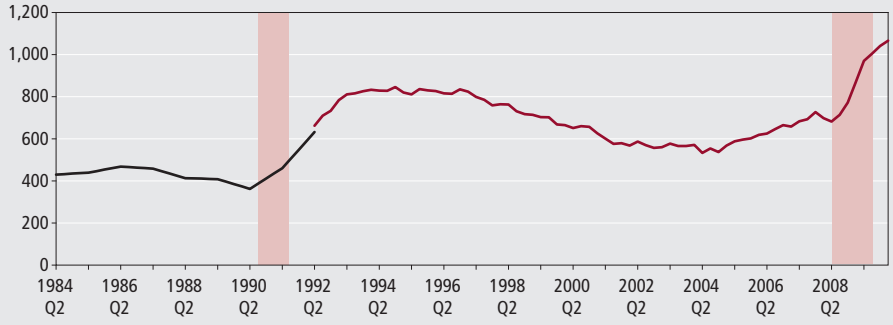


Notes: *Source: ONS Labour Force Survey*

1 A sub-group of the economically inactive population who said although they would like a job their main reason for not seeking work was because they believed there was no jobs available.
2 Annual data points prior to 1992.
3 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

Figure 6
Number of part-time[1] workers[2] reporting that they would like full-time work, Q2 1984 to Q1 2010[3,4]

United Kingdom
Thousands, seasonally adjusted

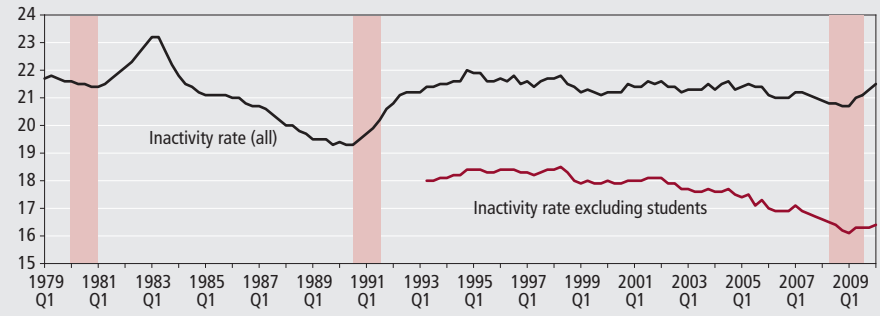


Notes: *Source: ONS Labour Force Survey*

1 Part-time employment is based on respondents' self-classification.
2 Covers employees (including temporary employees) and self-employed.
3 Annual data points prior to 1992.
4 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

Figure 7
Economic inactivity[1] including and excluding full-time students, Q1 1979 to Q1 2010[2]

United Kingdom
Percentages, seasonally adjusted



Notes: *Source: ONS Labour Force Survey*

1 Inactivity rates are for men aged 16 to 64 and women aged 16 to 59
2 The shaded areas on the graph represent consecutive quarters of negative GDP growth

discouraged workers has occurred typically about two years after the recession ends and so numbers are likely to continue rising through 2010. This is likely to be related to the increased requirement to search for a job when claiming JSA and the Restart process which preceded it from 1986, but it may also reflect reclassification by jobless individuals themselves allied to receipt of other welfare benefits.

Figure 6 shows the numbers of under-employed grew to over 1 million in the latest recession. This previously peaked at 800,000 about three years after the last recession, roughly a similar proportion of the then substantially smaller workforce. However the numbers and workforce share of under-employment at the onset of the latest recession do appear substantially higher than at the onset of the previous recession. This is perhaps indicative of a combination of relative buoyancy in job opportunities this time around compared to last and individuals making greater use of more widely available and generous in-work benefits/tax credits to maintain income when mixed with part-time work.

Inactivity

Only a minority of those not working at any point in time are unemployed. It is more common for people not currently working to not be actively seeking a job and hence not classified as unemployed. Hence, it is also true that unemployment can fall both because individuals find work and because they become economically inactive. The main categories of inactivity are students, sickness, early retirement or looking after children. Inactivity normally rises in a recession, typically lagging behind movement in the unemployment rate by about a year. Some delay looking for work by continuing to study. Whilst some people losing work don't seek, for instance taking early retirement, or stop seeking work because they are unable to find a new job. For others there is a move from, often long-term, unemployment into sickness related inactivity. It has long been debated whether this is akin to an extended spell of what is disguised long-term unemployment or whether it reflects that long-term unemployment leads to genuine health deterioration.

Figure 7 shows the proportion of the working age population who are economically inactive since 1979. The long-term average is for about 22 per cent of the adult population to be neither working or actively looking for work. In each of the last two recessions the inactivity rate rose by

Table 3
Inactivity rates[1] by age, education and gender

Per cent

	1979	1986	1993	2007	2009
Men					
All men[2]	*4.3*	*9.5*	*11.3*	*12.2*	*12.0*
High education[3]					
16-24	*0.5*	*3.2*	*4.4*	*4.9*	*4.6*
25-49	*0.8*	*2.0*	*3.9*	*4.0*	*3.8*
50+	*4.5*	*16.9*	*23.3*	*19.7*	*18.5*
Low education[4]					
16-24	*2.3*	*6.0*	*5.7*	*8.4*	*7.7*
25-49	*3.2*	*7.0*	*9.1*	*12.7*	*11.8*
50+	*8.2*	*28.2*	*32.5*	*30.3*	*28.6*
Women					
All women[2]	*31.9*	*29.5*	*26.0*	*22.1*	*20.7*
High education[3]					
16-24	*12.3*	*9.4*	*8.8*	*7.6*	*7.8*
25-49	*32.7*	*24.6*	*16.5*	*13.2*	*12.1*
50+	*33.0*	*30.8*	*28.7*	*18.3*	*17.5*
Low education[4]					
16-24	*33.2*	*27.0*	*20.8*	*21.5*	*20.3*
25-49	*38.9*	*36.1*	*31.7*	*32.0*	*31.2*
50+	*42.0*	*44.2*	*40.8*	*34.8*	*33.5*

Notes: *Source: Labour Force Survey (authors' calculations)*

1 Students are not classified as inactive.
2 Population of working age.
3 High education is top 50% based on level of educational attainment.
4 Low education is bottom 50% based on level of educational attainment.

around 2 percentage points. The rise in the latest recession has been more modest, but, on the basis of past experience, might be expected to increase later in the cycle.

One major development worthy of note is the increase in numbers of young people staying on in both further and higher education. The second line on Figure 7 tracks the inactivity rate excluding full-time students, on this basis, economic inactivity has falling steadily, by around 2 percentage points, since the aftermath of the 1990s recession. In 2009 there were just over 16 per cent of the adult population neither economically active nor in full-time education, the lowest rate for over thirty years. Staying-on rates have risen in past recessions but the latest downturn has led to a substantial rise and as the figure makes clear that the small rise in inactivity observed in this recession has, so far, been mainly due to increased participation in education. However the news is not all good. The composition of the (non-student) economically inactive has shifted markedly over time toward men. Back in 1979 around 40 per cent of women aged 25 and over were economically inactive compared to a rate of under 5 per cent for men. Since then the number of women entering the labour force has grown rapidly and shows little sign of halting. The rise in male inactivity has been primarily for reasons of ill health and disability. At around 2.3 million, there were almost twice as many inactive men (who are not in full-time education), as there were unemployed men, (on the ILO/OECD definition), at the end of 2009.

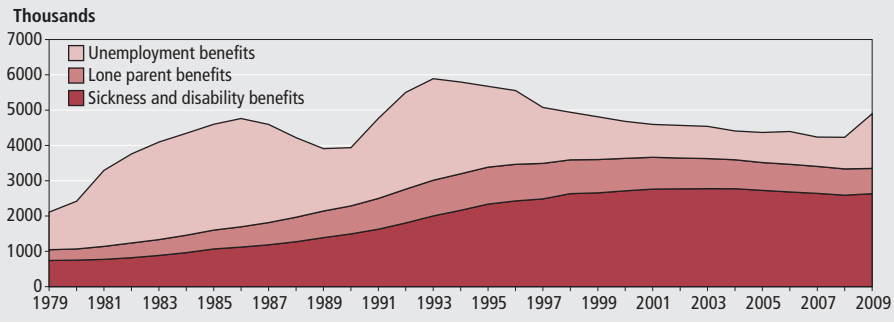
Policy changes on pensions and incapacity benefits have minimised the inflow of sickness related inactivity recently and has made early retirement much rarer in this recession than in the past, but the overall level of inactivity among men has been persistently high for twenty years. The net result is that inactivity among men is, at best, static and remains 3 times higher than the rates observed in the 1970s, (**Table 3**). Indeed more than half of the fall in the male unemployment rate from 1993 to 2008 can be accounted for by rising inactivity, though much of that rise in inactivity took place in the 1990s.

As Table 3 shows, the factors that help generate disadvantage among the unemployed are also present when inactivity is tracked across different sub-groups. Inactivity rates are much higher for less skilled, older workers, particularly among men and have been for some considerable time. It is here that the least inroads into long-term detachment from the labour market have been made. Yet this was not always so. In the 1970s, inactivity rates among older less skilled men were much lower, below 10 per cent. It is also notable that the continued increase in labour force participation among women is still skewed toward the better educated. Inactivity rates among women are much higher for the less well educated in every age group. This has implications for household patterns of joblessness.

With recovery small inroads are made into the inactive numbers but never enough, so far, to offset the initial problem. When recession comes these individuals are at the back of the queue for jobs and so inactivity rises again. Among men, the increase in inactivity rates over time, for all age groups is apparent, though improvement has been made among men over the age of 50, back to levels last seen in the 1980s, if not the 1970s. For women, inactivity rates have declined significantly over time, for all but the youngest age group.

Figure 8 shows the numbers in receipt of the major welfare benefits available to those out of work and eligible to claim. In addition to the large cyclical fluctuations in unemployment benefit receipts there were marked increases in claims for Income Support by lone parents and incapacity benefits. The vast majority of these claimants are economically inactive. This amounted to around 750,000 extra claims in the 1980s recession and 1 million in the 1990s. Unlike unemployment, claims for these benefits did not fall back after the recessions ended and represented structural increases in families reliant on welfare benefits. Numbers of claims for these lone parents started to fall after 1995. The use of tax credits to make work more financially rewarding, increased availability of childcare, including free half day places for 3 and 4 year olds and welfare to work programmes were also focused on this group of the inactive. Claims for incapacity benefits didn't start to fall back until 2003. This was due to sharp reductions in the numbers of new claims from 1996 to 2004 which were offset by increases in the numbers with very long durations. Individuals claiming incapacity benefits for more than a year rarely return to work and most will claim until retirement or death. This means it takes a long time for changes in the numbers making new claims to affect the stock. The number claiming

Figure 8
Number of claims for major workless benefits, 1979 to 2009



Source: Department for Work and Pensions

incapacity benefits for between 1 and 2 years has halved since 1999. This means that the numbers of claims is set for a steady decline for the next decade or so, as this lower inflow eventually replaces those larger earlier cohorts flowing into these benefits in the early 1990s.

More recently there have been two major developments, the effects of which are not fully clear. Lone parents with children aged 7 and over are now being moved from Income Support to unemployment benefits (JSA) that require active job search. So far this has just applied to those with children aged 10 and over where 50,000 lone parents now claim JSA. Incapacity benefits are being brought into a new single benefit called Employment Support Allowance (ESA) and the new Work Capability Assessment test to claim ESA is making claiming disability benefits much harder. These changes are pushing up the number of claims for JSA during the recession making the small rise in JSA unemployment all the more remarkable and the absence of any rise in the numbers on inactive benefits is in stark contrast with previous recessions. Figure 8 shows the long-run picture of the number claims for major workless benefits and thus represents a useful picture of the underlying performance of the labour market and the welfare system. The picture at its worst in the mid- 1980s was for 4.5 million such claims compared to just over 2 million prior to the 1980s recession. After the 90s recession this peaked at just under 6 million before falling back to 4 million or so. In this recession the peak appears to be just under 5 million, substantially better than in the 1990s despite the deeper recession.

Conclusions

Unemployment has long blighted the UK labour market. There were signs that, prior to the recession, an unemployment rate of a little 5 per cent was about as good as things could get without further changes in policy and performance on factors, like education, industrial policy, regional imbalances, export performance and productivity that furthered balanced and sustained growth. The recession represents the first serious test of labour market policies that have been put in place since 1996. These included innovations aimed at keeping individuals in the labour market and maintain search effectiveness through increased conditionality on welfare claimants to take active steps to secure work, increased package of support services for job search available to those claiming benefits and use of outside providers to deliver these services rather than Job Centres. In addition reforms aimed to increase the financial returns to working relative to not working, such as the National Minimum Wage and Working Tax Credits which can continue to make work pay through a downturn when full-time well paid job prospects are scarce.

The signs are that unemployment has not been as bad this time round as many people thought given the depth of the recession. Further, there has to date been little or no drift into economic inactivity, apart from increased numbers in full-time education, or onto inactive benefits. This is all to be welcomed and suggests that the labour market and the welfare system have performed well in the current recession. Although the ability of the new policies to withstand a build up of long-term unemployment that has in the past followed in the wake of a recession is still to be tested. However the scar that has blighted the UK labour market performance for thirty years, increased male economic inactivity, focused on the less educated, still remains. While (non-student) inactivity is the lowest for over thirty years, virtually all of this improvement has been among more educated women. For less skilled men and some deprived parts of the country, 15 years of sustained recovery have failed to make major inroads to the legacy of high inactivity spawned by previous recessions. As a result, for some groups, there has been a shift upward in joblessness from the 1980s onward.

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