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The pandemic has made work more precarious and wages stagnate, while the cost of living has soared. NurPhoto SRL/Alamy

Why demonising people as 'workless' won't solve rising economic inactivity

Published: May 1, 2024 1.01pm BST

James Morrison

Associate Professor in Journalism, University of Stirling

As the gloves come off for election year, Britain's would-be leaders are circling a new political punch-bag: people who are "economically inactive".

According to the Office for National Statistics (ONS), this term denotes those who are not currently in employment, who have not sought employment within the last four weeks and who are unable to start work within the next two weeks. Between November 2023 and January 2024, 9.25 million 16 to 64-year-olds were inactive. This is equivalent to 21.8% of all working-age adults.

The renewed political focus is the latest incarnation of what sociologists since the 1970s have called "scroungerphobia". My research shows that myths around people who aren't working have long been promoted by mainstream UK politicians and right-wing news media.

What the data actually shows, however, is that swathes of people are facing serious and complex life challenges. The rise in economic inactivity is being driven by mental ill-health and burnout, growing NHS waiting lists and Britain's increasing reliance on unpaid carers. Many of those affected face deepening poverty after years of cuts to out-of-work benefits.



Researchers note a mental health crisis affecting young people. Samuel Wordley/Alamy

Workless households

The Conservative party is rebooting Coalition-era myths about “shirkers” and “scroungers”. Chancellor Jeremy Hunt has vowed to withdraw benefits from “workless” households content to “coast on the hard work of taxpayers”.

Work and pensions secretary Mel Stride, meanwhile, has belittled the growing number of young people diagnosed with work-limiting mental health conditions as too feeble to handle life’s “normal ups and downs”. And Rishi Sunak has denounced benefits as “a lifestyle choice” while heralding a crackdown on “sick note culture”.

Meanwhile, in efforts to court floating voters in red (and blue) wall seats, the Labour party is reverently re-framing this target audience as “working people”. This is clear in countless speeches, Commons debates and Labour’s much-trumpeted New Deal for Working People.

In a recent speech, the shadow work and pensions secretary, Liz Kendall, condemned ministers’ “failure to get to grips with welfare”. Drawing on the images of people who voluntarily don’t work often invoked by Tory ministers, she said: “The reality is, increasing numbers of people are leaving the labour market and no longer even looking for work.”

The first thing to note is that this dramatic rise in economic inactivity rates includes some people that nobody expects to work. One in four of those counted are full-time students.

Further, a new Resolution Foundation report has diagnosed Britain’s post-pandemic inactivity problem as a “U-shaped legacy”. People in both the 16-to-24 and 50-to-64 brackets collectively account for 90% of the rise in economic inactivity since 2019.

Four years of COVID have triggered what journalists have described as “the Great Retirement” – the growing trend among burnt-out or financially secure middle-aged and older workers to quit the workforce. Recent ONS data shows, however, that the ongoing economic inactivity spike is being driven by younger adults.

Analysis by senior Resolution Foundation economist Louise Murphy highlights a growing problem of long-term sickness among young people. Since 2020, there has been a 68% surge in the number of applications for personal independence payments in England and Wales (the main non-means-tested benefit for people with health conditions or disabilities). This is skewed by a 138% increase in 16- and 17-year-old applicants and a 77% rise among 18-to-24-year-olds.

Department for Work and Pensions (DWP) data shows that, between January 2022 and November 2023, 69% of work capability assessments (tests used to determine whether someone is well enough for work) recorded mental and behavioural disorders. Murphy points out that the youngest and oldest claimants are the most likely to be on health-related benefits.

What is the solution?

The pandemic has seen work become more precarious, wages stagnate and both living costs and global uncertainty rise. This has resulted in a genuine mental health crisis among young people.

In 2021-22, 30% of 18 to 24-year-olds reported symptoms of conditions including depression, anxiety and bipolar disorder. Among inactive young people, 80% only hold GCSE or lower-level qualifications.

Murphy therefore argues for better support services in under-served colleges and better provision for young people resitting exams. Politicians, by contrast, are castigating young people for not working.

In an interview with the Telegraph in March, Stride said: “If they go to the doctor and say ‘I’m feeling rather down and bluesy’, the doctor will give them on average about seven minutes and then, on 94% of occasions, they will be signed off as not fit to carry out any work whatsoever.”

Kendall, meanwhile, has warned young people that there will be “no option of a life on benefits” under Keir Starmer’s Labour Party.

The inactivity data points to other barriers to paid work: long-term illnesses and physical disabilities and unpaid care work. Government statistics show that these disproportionately impact people affected by intersectional inequalities, including those relating to race, ethnicity or gender.

The highest inactivity rate (33%) exists within British Bangladeshi and Pakistani communities. This group also suffers the biggest gender gap: 48% of women, compared to 19% of men, are disengaged from the labour market, often due to familial caring duties.

The most shaming hidden story of inactivity is buried deep in the data on “households below average incomes” released by DWP in March 2024.

In 2023, 25% of households with children were living in absolute poverty. That means one in four families had a net disposable income below 60% of the 2011 median income, adjusted for inflation. A further 30% were in relative poverty (below 60% of the 2023 median).

Seven out of 10 poor families include at least one working adult. This statistic has rightly been foregrounded in the media.

However, the fact that 59% of all children in so-called “workless families” were in relative poverty has all but been ignored. This represents more than three times as many as in so-called “working families”. It is the highest poverty rate among inactive families since 2007.

Out-of-work benefits, that were worth 20.1% of median pay in 1971, are set to slump to half that value by 2030. This is the result of 14 years of austerity measures by successive Conservative-led governments.

In other words, the extreme levels of poverty endured by economically inactive people (as highlighted in the government’s own data) are a direct result of deliberate political choices to continually erode benefits.

Starmer has repeatedly failed to call out the connections between benefit cuts, inactivity and working-aged poverty. Labour is therefore complicit. By adopting this position, politicians across the board are denying, and prolonging, a national disgrace.