

The Wider Impact of Unemployment on the Individual

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Unemployment is an issue of vital importance to economists and the public alike and is one of the main indicators used to judge the health of an economy. The economic impact of unemployment has been well theorized. Instead, Sorcha Sheil looks at the psychological and physical health impacts unemployment can have on the individual. She first looks at the position work occupies in our society, before using Jahoda's theory of deprivation to analyse the negative psychological impacts unemployment can have on an individual. She distinguishes these effects between class, sex gender, and age. Following this is an analysis of the physical impact unemployment can have and a discussion of how liberal social welfare schemes like that of the UK and Ireland, can actually worsen the mental wellbeing of the unemployed

INTRODUCTION

Work is an essential human activity which shapes our perceptions of self-worth and social identity. Employment forms a major component our daily lives and, is arguably, the basis on which the life course plays out. Unemployment is not merely an economic issue, but has significant psychological implications which impact levels of wellbeing and life satisfaction. The psychosocial effects of unemployment have detrimental impacts on levels of wellbeing, often causing clinical levels of distress amongst the unemployed. In this essay, I begin by examining the meaning of work and its connotations with the moral values of society. I then turn to Jahoda's theory of deprivation, paying particular attention to the way in which experiences of unemployment vary in terms of differing social categories, looking specifically at class, gender and age. A brief analysis of the physical health effects of unemployment and how social circumstances can

be translated into biological outcomes will also be provided. The power of state intervention in influencing levels of mental wellbeing amongst the unemployed will be discussed, with particular attention paid to the impact of the liberal contractarian framework on levels of mental wellbeing in society. A comparative approach is taken and the effect of the Liberal welfare regime in Ireland and Britain is compared to the Nordic Model in place in Sweden and discrepancies in levels of life satisfaction are evaluated. I argue that employment occupies a significant role in society today, assisting in shaping the psychological, physical and emotional wellbeing of individuals.

THE CONCEPT OF WORK

Throughout history the majority of individuals have worked to survive and it has become an integral component of the human existence. Work is not only essential for economic gain but plays a significant role in the formation of perceptions of self and social identity. Throughout the ages, work has been associated with the moral values of society, from Plato's republic and his theory on the division of labour, to the Reformation and what Luther termed 'the Protestant work ethic' (Applebaum, 1992). Ties between work and social worth are present in Adam Smith's 'The Wealth of Nations' in which he argues that those who perform productive work are, 'instead of gold, the most valuable assets in society' (Applebaum, 1992). This view not only emphasises the utilitarian principles of liberalism and the economic necessity of work, but also draws attention to the moral values associated with work and the integral role that it plays in shaping perceptions of self-worth and identity. Today, work forms a major component of a person's daily routine, and for most can be described as the foundation on which the life course plays out. The meaning of work and the sense of identity we derive from it can have immense consequences for individual wellbeing and can impact our sense of attachment to our own humanity. Unemployment is harmful to one's economic, social and psychological wellbeing with evidence pointing strongly towards the psychosocial impacts of job loss outlined by Jahoda, in helping understand the psychological distress often experienced by the unemployed.

JAHODA'S THEORY OF DEPRIVATION

Unemployment is a relatively new concept which came about with the advent of industrial capitalism and wage labour. Today, employment is viewed a principle human activity, a crucial determinant of one's sense of social, economic and moral value. Jahoda's 1930's Marienthal study pays particular attention to not only the economic desperation that comes with unemployment but also the psy-

chological meanings attached to it. This was apparent in many different aspects of the study, for example, Jahoda (1981) found that instead of spending more time partaking in leisure activities, the unemployed became depressed and disinterested in life, losing all sense of time and structure in their daily routine. Jahoda analysed the latent aspects of unemployment including; time structure, social contact, collective purpose, identity/status and regular activity, and examined how these elements vary in terms of different social categories (Jahoda, 1982). Work provides individuals with psychological and emotional support and when unemployment occurs this leads to a myriad of issues which reach far beyond economic deprivation (Edgell, 2012). Examining the ways in which social categories differing in terms of class, gender and age react to unemployment provides us with a clearer understanding of the true effect of job loss. Although there have been some critiques of Jahoda's theory of deprivation, it has stood the test of time offering useful insights into the issue of unemployment.

CLASS

All social classes to a certain extent identify with their work, however middle classes are more likely to be employed in occupations which they enjoy and derive status and identity from (Ashton, 1986). This results in middle class groups experiencing a greater sense of loss and shame when unemployment occurs, with individuals often finding the stress and stigma of becoming unemployed difficult to manage. An example of this can be seen in the occurrence of the middle class, unemployed 'salarymen' in Japan who leave their homes every day pretending to go to work in an effort to guise their employment status (Edgell, 2012). Middle class workers who enjoy the extrinsic and intrinsic benefits of work are those who experience the worst psychological impacts of job loss. This is reflected in the higher rate of suicide amongst the unemployed middle class when compared to other class groupings (Edgell, 2012). Those in working class groups who are employed in low paid service occupations experience more adverse economic impacts of unemployment. The sharp decline in the flow of economic resources into working class families can have serious impacts on levels of stress and wellbeing, however unemployment amongst this group has been shown to be less likely to trigger a crisis of identity.

GENDER

Relative to studies on male unemployment, there has been little attention focused on female unemployment, reflecting the persistence of patriarchal structures, such as the male breadwinner model in society. Female unemployment can be more complex to analyse due to the discontinuous nature of fe-

male work patterns. Hakim's preference theory accurately describes these work patterns, outlining the three main options for women – a full time career, part time work career or full time homemaker (Edgell, 2012). Men and women have similar experiences of unemployment, however Coyle (1984) suggests that the main difference between how men and women experience unemployment is that for men, unemployment can trigger a crisis of gender identity (Edgell, 2012). The male breadwinner model seeks to legitimise male dominance in society, and when a man becomes unemployed this puts his dominance in question. Employment forms an integral component of the male identity and with unemployment comes feelings of humiliation, uselessness and isolation. Women also experience these feelings, however the issue of gender identity tends not to occur. The male breadwinner model effects levels of wellbeing amongst unemployed women as they become financially dependent on their partner, triggering a 'crisis of autonomy', however this is less well documented due to the tendency of women to take the title of 'housewife' instead of 'unemployed person' (Edgell, 2012).

AGE

Prolonged unemployment amongst young people can have serious impacts on levels of happiness, health and job satisfaction as the time taken to transition into the next stage of life becomes longer and more uncertain (Edgell, 2012). Findings from a study carried out by Bell and Blanchflower confirmed that youth unemployment has the potential to affect the health status and life satisfaction of young people for over twenty years (Edgell, 2012). Youth unemployment leads to a greater sense of social exclusion from the rest of society and increases the likelihood of young people forming a 'peer group identity' instead of an 'occupational identity'. This plays a role in increasing levels of youth crime and juvenile delinquency in areas characterised by high rates of unemployment. This is in line with Merton's 'anomie theory' which states that when the means of becoming successful are taken away, illegitimate means are instead made use of (Edgell, 2012).

UNEMPLOYMENT AND HEALTH: HOW THE SOCIAL IMPACTS THE BIOLOGICAL

Unemployment can have both direct and indirect health effects largely induced by the detrimental psychological effects of unemployment which have the potential to manifest into physical health conditions. Social roles are central to Siegrists theory of 'self-regulation' which emphasises the importance of purpose in society and its influence on health behaviours (Blane, 2013). When

unemployment occurs, social roles can often be called into question, resulting in negative health behaviours such as smoking and alcohol abuse (Bartley, 2008). Direct health effects occur due to chemical responses triggered by psychological distress. When individuals are exposed to the environmental stressors associated with job loss, such as economic deprivation, reduced social interaction and feelings of shame and humiliation, the body responds through the release of adrenaline which produces fibrinogen in the blood. This results in high blood pressure and an increased risk of heart disease (Bartley, 2008). This is what has been termed the 'fight or flight' response and it is through this that we can analyse the link between the psychological distress associated job loss and the negative health outcomes of the unemployed.

SOCIAL WELFARE POLICY: A COMPARATIVE PERSPECTIVE

State intervention can have significant effects on the economic and psychological impact of unemployment, however it is an area which has received limited attention in varying national and policy contexts (Layte et al., 2006). The need for state intervention can be understood through examining the PEN Model (Psychosocial and Economic Need for Employment). This model incorporates both the psychosocial approach presented by Jahoda along with the agency approach presented by David Fryers in which he argues that restrictions on the private economy reduce individuals' autonomy resulting in lower levels of life satisfaction (Layte et al., 2006). Layte et al (2006) have carried out significant research on the welfare systems in Sweden, Ireland and Britain. This analysis was underpinned by Esping Anderson's classification of welfare states into: conservative welfare, liberal welfare (Ireland and the UK) and social democratic welfare (Sweden) states. Longitudinal data for Sweden was sourced from the Long term Unemployment Project and was complemented with telephone surveys, for Ireland, information was derived from the Living in Ireland panel survey based on a two stage clustered random probability sample, and for Britain, data from the British Household Panel Survey was used (Layte et al., 2006). The results found that the flat rate system in place in Ireland and the UK has worse overall economic and social outcomes for the unemployed and this reduces levels of mental wellbeing in society as benefits are not correlated with actual need. Sweden follows a more progressive universalistic social welfare regime which ensures benefits are individualised though tying the level of social welfare received to previous earning levels (Gallie et al., 2000). In Sweden, the unemployed were found to have significantly better psychological wellbeing compared to those on flat rate benefits in Ireland and the UK, indicating that income replacement benefits have

more positive effects on the mental wellbeing of the unemployed. The type of welfare regime in a country can also have social class effects with those living in flat rate systems, who previously earned high incomes experiencing a greater drop in living standards resulting in higher levels of psychological distress (Layte et al., 2006).

Russell et al (2013) reached similar findings when they carried out a cross regime variation analysis on the impact of financial distress on levels of mental wellbeing. Their analysis of the period before, during and after the 2008 financial crash indicates that falling levels of GDP assists in explaining the lower levels of life satisfaction amongst the unemployed, particularly in the Liberal regime. Russel et al. (2006) found that worsening economic conditions are a significant source of psychological distress amongst the unemployed, contributing to approximately half of the unemployment effect¹, with their being little variation across European countries except for Nordic countries where the link between economic situation and psychological distress is less pronounced. This is largely due to the more generous and progressive welfare system in place in the Nordic regime.

ANALYSIS OF THE LIBERAL CONTRACTARIAN FRAMEWORK

Neo liberal social welfare policies and the notion of a 'self-regulating market' have characterised the experience of unemployment for many. Tony Blair's 2001 Speech entitled to the unemployed. In the years following the financial crash in Ireland people were faced with violent levels of austerity, with the negative impacts of this visible in the rising levels of 'The rights we enjoy reflect the duties we owe' accurately depicts the ideals underpinning the Liberal Contractarian Framework which seeks to discourage welfare dependency amongst the unemployed (King, 1999). This framework emphasises an interventionist system which seeks to push the unemployed into the low paid service economy and out of the welfare system (King, 1999). This theme has formed a major component of British and Irish social policy towards the provision of social welfare benefits over the past 150 years. The Liberal model presented by Esping Anderson is concerned with enabling, not modifying, the manner in which the market performs and thus these welfare strategies attempt to socially engineer the unemployed back into the labour force. One can draw comparisons between the strategies used in the 1834 threat of confinement in the workhouses under the Poorhouse regime described by King (1999), to the 2017 campaign launched by the Taoi-

1 The unemployment effect refers to the impact of unemployment on the financial, emotional and psychological well-being of the individual

seach of Ireland Leo Varadkar attempting to expose 'welfare cheats'. These strategies seek to give work its moral character, introduce a disciplinary element to those in receipt of social welfare benefits while also serving as a scapegoating tactic for Governments. The Liberal Contractarian Framework places greater importance on the responsibilities of the unemployed rather than their rights, and embodies the world view that the unemployed purposefully avoid work in order to claim social welfare entitlements (King, 1999). Thus far, it appears that those in favour of a contractarian workfare system have been responsible for devising British and Irish social welfare policies and this has had serious impacts on levels of wellbeing amongst the unemployed.

The liberal welfare regime has the potential to bring about vast levels of misery and suffering suicide. In 2008, it was recorded that for every 1% rise in unemployment, a .79% increase in the rate of suicide was observed (Coulter and Nagle, 2015). Rising rates of suicide were particularly visible amongst young men between the ages of 16-24, reflecting the persisting patriarchal structures in society today. In the face of the economic crisis, the Irish Government relinquished themselves of all responsibility for protecting the unemployed, leaving them vulnerable to the devastating effects of austerity (Coulter and Nagle, 2015). Similarly, the negative effects of the liberal contractarian framework were highlighted in the most recent UN poverty report which outlined the 'punitive, mean spirited, and often callous' austerity policies in place in the UK (Booth, 2018). These policies reflect the desires of governments to socially re-engineer populations back into the low paid service economy for political gain (Booth, 2018). The report detailed that over a fifth of the population in the UK are currently experiencing 'great misery', with it coming as no great surprise that the UK government has recently had to create the position of 'Minister of Suicide Prevention and Civil Society' in order to examine the levels of desperation and isolation amongst people in British society (Booth, 2018). These outcomes call into question the functionality of the liberal welfare regime as a source of protection for the unemployed in society today.

THE EVOLUTION OF WORK

Marx viewed work as the fundamental foundation of society and the advent of the industrial revolution as a force alienating people from the means of production in exchange for profit. Although societies have shifted away from the hard industrial roots of capitalism towards a service based economy, the question as to whether this means that workers are happier now than in the past is highly questionable. Large, multinational corporations are a major employer in society

today, offering highly esteemed graduate programmes and managerial positions to job seekers. These corporate positions are repetitive in nature and offer little opportunity for workers to differentiate themselves through their work, in a way, alienating the worker from the means of production. Although we no longer live in an industrial economy, exploitation of the worker still occurs and can be observed when we examine the service industry where work is precarious and low paid (Hochschild, 2003). This type of work has a polarising effect on employees where emotional labour degrades the individual and places them in a position of powerlessness (Gallie, 2007). The future of work and its effects on the individual are undoubtedly ambiguous, with the rise of zero hour contracts and little employee protection, the working environment is becoming more and more uncertain (Beck, 2000). It cannot be denied however, that work still forms a major role in shaping identity and notions of self-worth and is closely aligned to our sense of our own humanity.

CONCLUSION

To conclude, this essay has presented a brief analysis of the dynamic way in which work affects the lives of individuals in society, highlighting both the social and economic implications of unemployment. I argue that unemployment inflicts not only economic misery on individuals but also has significant psychosocial effects which impact psychological wellbeing and health outcomes. State intervention has the potential to ameliorate some of the negative impacts of unemployment, however we see the liberal welfare regime in Ireland and the UK inflicting great levels of misery on the unemployed and effectively failing the people who need them the most. Despite huge changes in the nature of the economy and the rise of more precarious, uncertain working conditions, it is clear that work still occupies a place of significance in the lives of individuals today. Work remains an essential human activity providing not only a means of survival but also a means of achieving self-fulfilment.

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