

## Unemployment and Government

*William Walters Unemployment and Government: Genealogies of the Social, Cambridge University Press, Cambridge, 2000*

*Reviewed by Paul Miller*

Fresh from my review of the edited volume by Stephen Bell (*The Unemployment Crisis in Australia: Which Way Out?*), with its focus on solutions to the unemployment problem, I read this book by William Walters. In contrast to the attempt by the contributors to the Bell volume to offer practical solutions, Walters' study is largely of academic interest. The author explains that the book examines the question of unemployment through the lens of an interdisciplinary literature, which is termed 'governmentality'. An attempt is made to use historical materials for Britain to look at how the issue of unemployment has been thought about, and acted on, by those who seek to regulate it. The book opens with a largely conceptual chapter on the discovery of unemployment. It outlines the social and historical circumstances of the late nineteenth century that gave rise to the discovery. It shows how the spread of factory legislation and trade unionism led to the development of the concept of regular employment.

Chapter 2 traces the development of 'unemployment' as an object of regulation. It looks at three political programs for governing unemployment at the turn of the last century. These are:

1. the Labour Movement and the 'Right to Work';
2. the Movement for Tariff Reform; and
3. the public organisation of the labour market.

Walters looks at how the Labour Party championed the rights of the unemployed as it attempted to establish its reputation as a political movement. He notes that despite its immediate failure, the Right to Work campaign of the early 1900s influenced thinking and government actions later in the century. That is, there is an evolution of ideas on the unemployment problem.

Walters discusses the campaign for the public organisation of the labour market that aimed to address the problem of unemployment. This was based largely on Beveridge's analysis of the unemployment problem. The problem of unemployment was to be addressed through changes to the way the labour market is organised. Two main ways were considered: a national system of labour exchanges and a form of unemployment insurance. The Labour Exchanges set up in the UK in the early 1900s played an important role in the production of knowledge about unemployment, with the collection and publication of records on the unemployed making unemployment more visible and governable.

Chapter 3 looks at the place of social insurance within the history of governing unemployment. It provides a brief overview of the inception of unemployment insurance in the UK between 1895 and 1914. This cast unemployment as an insurable risk. The procedures by which unemployment was rendered insurable are set out. This includes discussion of the key concept of 'capable of work', how trade disputes were handled, and how involuntary unemployment was handled. Unemployment insurance was seen as giving society an interest and a stake in the government of the unemployed.

Chapter 4 is an interesting chapter on the long-term unemployed. The labour market deteriorated during the inter-war years and this presented a crisis for the unemployment insurance system. The division of unemployment into short-term and long-term was reinforced by studies of the long-term unemployed that showed they were different (demoralised). They were as such suitable for a different form of administrative treatment than normal unemployment. The long-term unemployed were to be managed as a separate category using unemployment assistance. Walters gives a review of some of the forms and issues associated with unemployed assistance during the inter-war period, with a focus on the issue of need.

Chapter 5 provides an account of some of the ways unemployment was constructed as a national problem. While the labour exchange system and unemployment insurance were seen as vehicles that helped shape unemployment as a national problem, the rise of Keynesian economic thinking was viewed as a more fundamental medium in this regard. Keynes saw unemployment as a normal feature of the way the economy functions, and governments had a key role to pay in attempts to return the economy to full employment. Walters reviews ways that the policy-making system became converted to Keynesian principles, and examines how this led to a strengthening of the government's perception of unemployment as a national problem. Thus, unemployment was seen as becoming prominent as a part of macroeconomics as well as of social policy. Econometrics, and the associated building of macroeconomic models of the economy, also led to the thinking of unemployment as a national problem. Keynesianism is credited with giving policy makers the framework and policy tools that made unemployment governable. The Chapter examines situations where unemployment is discussed and tackled at the local level, and, increasingly, along with other issues, it is discussed at the supranational level. It also looks at the social and economic problems of the European Union, as one instance where unemployment is being thought of in supranational terms.

Chapter 6 analyses the Labour Government's New Deal program. It sees this as a set of initiatives that locate the unemployment problem to the 'margins' of society. By addressing these margins the New Deal offers the opportunity to heal the social divisions that have arisen in recent decades, or in Walters' words, 'forge 'one nation' out of the social wreckage of the divided society'. Governing unemployment in the modern era has also become a matter to be addressed through communities. It is argued that the financing of the New Deal through a

one-off windfall tax on the excess profits of newly-privatised utilities suggests that severe unemployment is being viewed as an anomaly.

This book is of interest. It would be a useful addition to any library, though I feel that few individuals in Australia will want to rush out and buy it. The reader will be drawn to thinking more about the unemployment concept, the government's categorising of those without work, and the changing emphasis on various components of the unemployed. While not offering 'ways out' like the edited book by Stephen Bell, the contribution by William Walters may stimulate better thinking about unemployment. And this can only be a good thing.

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