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# Unemployment and its relief in the inter-war North of England

## *Part 1 of a series by Stephen Lambert*

Between 1920 and 1939 unemployment in mainland Britain didn't fall below one million, with the average jobless rate standing at 14 per cent. The North East and West Cumbria were the two regions that were badly hit throughout the inter-war period.

Inter-war state social policy was dominated by the problem of worklessness. High levels of unemployment put a huge strain on the national insurance scheme brought in by the previous Liberal administration. By 1921 the scheme covered eleven million adults. Yet the NI fund received too little in contributions to cope with the increased demand. Many workers in depressed regions like the North were jobless for a long period and ran out of entitlement to benefit.

Two factors led to the government's response. One - the impact of World War One. Ex-servicemen demanded welfare reform for the sacrifices they had made. And two - the government feared that rising unemployment could lead to urban unrest. The fear of the Russian Revolution alarmed the British 'ruling class' as strikes and industrial conflict between workers and employers rose in the early 1920s - culminating in the 1926 General Strike.

The state were keen to provide some relief for the jobless without undermining the insurance principle. A new benefit - the 'dole' - was introduced to provide temporary help to ex-soldiers who were seeking work. Yet many of the long-term unemployed saw the 'dole' as a demeaning handout. According to the historian Derek Fraser (1) the economic situation produced 'a demoralised nation, not a revolutionary one'. For A. N. Wilson the men who were demoralised were just 'the visible part of an iceberg; sunk below them were millions of toiling downtrodden women, their lives the picture of the most dreadful neglect'.

Rising joblessness throughout the 'twenties' resulted in the government finding ways to curb public expenditure. In 1927 measures to 'control' the unemployed were brought in - such as checking that they were genuinely seeking work. This test reflected the government's attitude towards the unemployed - that unemployment was the fault of the individual rather than structural or cyclical factors.

The worldwide slump of 1931 led to a significant increase in unemployment and a further harsh response from the National Government. Benefit rates were cut

by ten per cent, resulting in much hardship and social distress. A tough household 'means-test' was introduced which looked at the needs, incomes and circumstances of all household members of an applicant for the dole. Even the income of retired family members was taken into account.

The hated 'means-test' was seen as intrusive and became the cause of many family conflicts. In the words of the historian John Stevenson (2) 'like the workhouse before it, it was destined to leave an indelible mark on popular culture'.

By 1933 UK unemployment reached almost three million. 31 per cent of men in Sunderland were jobless, while nearby Jarrow resembled a ghost town, with a male unemployment rate of 34 per cent. According to the Pilgrim Trust, three quarters of jobless men in the Durham town of Crook had been out of work for five years!

The Poor Law continued to play a role as a last resort agency throughout the period. However, various progressive social movements tried to reduce its role. For example, the Chester-Le-Street Board of Guardians provided generous 'out-door relief' and came into conflict with central government. In 1926 the government curtailed their powers. By 1929 the government abolished the Poor Law Board of Guardians and transferred their functions to local authority-run Public Assistance Committees. In 1934 the Unemployment Assistance Board was set up as a central means of running relief. Benefit levels were restored, with the effect that the Poor Law lost all responsibility for the 'able-bodied poor'.

Mass unemployment not only led to a loss of income and role but resulted in a sense of hopelessness, apathy, fatalism and depression. Although some young people without ties migrated from the North to the South East in search of jobs where unemployment was low, people aged in their forties and fifties with families were trapped in abject poverty across northern towns.

As the Newcastle historian Martin Pugh (3) points out, although inter-war unemployment did not result in a drift to communism or fascism, it did see the rise of protest movements such as Wal Hannington's National Unemployed Workers Movement, which staged a number of high profile hunger marches. The

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all-party-backed Jarrow March of 1936 led by the Labour MP Ellen Wilkinson did cast a spotlight on the social conditions of the long-term unemployed.

Throughout the 'thirties' a number of Public Works schemes were designed to stimulate jobs and economic development, both in the North and South Wales. Following the Jarrow crusade of 1936, a Special Areas Amendment Act was passed in 1937. This resulted in trading estates like Gateshead's Team Valley being set up, with emphasis on light industries like clothing and industrial components. These were largely ineffective to tackle the scale of the regional unemployment problem. As Tom Hazledine (4) notes in *The Northern Question*, only 4,000 people were working in the Team Valley by 1938, in contrast to the southern trading estates at Slough and Park Royal, London, which employed over 30,000.

Although unemployment came down by the end of the decade, it still stood at 1.4 million in 1939. It was the massive demands of war for people and munitions which saw the re-opening of the Tyne and Wear shipyards and engineering plants which finally helped to solve the worklessness problem both in the North and elsewhere.

#### References:

1. Derek Fraser (2017), *The Evolution of the Welfare State*.
  2. Martin Pugh (2009), 'We Danced All Night'.
  3. John Stevenson (1990), *British Society 1914-45*.
  4. Tom Hazledine (2022), *The Northern Question*.
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