

Working paper. V6. Do not distribute or quote without contacting the authors first.

Burchell, Brendan (University of Cambridge), e-mail: bb101@cam.ac.uk

Wang, Senhu (University of Cambridge)

Kamerāde, Daiga (University of Salford)

Bessa, Ioulia (University of Leeds)

Rubery, Jill (University of Manchester)

Cut hours, not people: no work, furlough, short hours and mental health during COVID-19 pandemic in the UK

Abstract

The unprecedented shock to the UK economy inflicted by government measures to contain the Coronavirus (COVID-19) risked plunging millions of workers into unemployment as businesses were forced to close or scale back activity. To avoid that cliff edge, and the predictable damage to both workers mental health and to the viability of the closed down businesses, the government also introduced the Coronavirus Job Retention Scheme (CJRS) that allowed for the furloughing of workers. Even so the number of people claiming benefits as unemployed has soared above 2 million for the first time since 1996 and others have been working significantly reduced working hours. The first wave of Understanding Society COVID-19 Study provides an early opportunity to examine how far these changes in employment status, work hours and involvement in furlough job retention scheme are related to the likelihood of having mental health problems, measured by 12-item General Health Questionnaire.

Our findings confirm that leaving paid work is significantly related to poorer mental health, even after controlling for the household income and other factors. In contrast having some paid work and/or some continued connection to a job is better for mental health than not having any work at all. Those who remain part-time employed before and during the COVID-19, those who are involved in furlough job retention scheme or transition from full-time to part-time employment are all found to have similar levels of mental health as those who continued to work full-time. The patterns are similar for men and women.

Both short working hours and furlough job retention schemes can thus be seen to be effective protective factors against worsening mental health. However, the key issue is now how to move beyond the furlough scheme. A v-shaped bounce back is not on the horizon and many sectors will at most move into partial activity. So, the need to avoid a huge further leap in unemployment is just as vital with all the risk to mental health that that would entail. These findings point to the need to move towards sharing work around more equitably, including introducing a shorter working week for all (except in those sectors under extreme pressure) in order to minimize the risk to mental health and well-being if those on furlough are now pushed into unemployment.

Introduction; COVID-19 pandemic and the UK labour market

The COVID-19 crisis initiated new types of dynamics that required employees to adjust to new standards and governments to introduce new policies during the lockdown. As part of workforce adjustments, many employees started working from home with the same number of hours, whilst

others were working with reduced hours. Many employees in certain occupations, identified as key workers, increased their hours significantly. Whether overworked, underworked or working through different patterns, employees' psychological state and mental health was stress-tested under such unprecedented circumstances. This paper builds on earlier work on shorter working hours and their effect on mental health and psychological wellbeing (Kamerāde et al 2019). In particular, the paper explores the impact of employment status (employed/not in paid work) and reduced working hours on psychological wellbeing and mental health during the COVID-19 outbreak and in the onset of the crisis that followed.

Mapping the effect of COVID-19 on employment in the UK is onerous due to the paucity of available data (Bell and Blanchflower, 2020). For the period between early March and early June, UK's main data source was the Office of National Statistics (ONS), whereas in other countries multiple agents collected data on COVID-19, employment and wellbeing. From March to May 2020 to reduce - or even avoid if at all possible- mass unemployment, the UK government introduced the Coronavirus Job Retention Scheme (CJRS). Initially covering 6.3 million jobs, one fifth of the workforce were furloughed (21 per cent) (CIPD, 2020) and the scheme ended up dealing with more than 9 million workers when it closed at the end of May, with new workers still joining at the beginning of June 2020 (Strauss and Pickard, 2020). Despite the protection offered by the scheme, half of the employees being furloughed felt that the scheme was not contributing adequately to job security, expressing constant concerns over whether they would actually return to work after the furlough period or whether the scheme would become a leeway to restructuring and consequently additional job losses (CIPD, 2020).

Alternative policies included reduced working hours, where employees were asked to work fewer working hours or to work under different patterns. These included lay-offs and short-time working. The former referred to an employee being off from work for at least one working day. The latter referred to workers asked to cut down working hours. Reduced hours prevailed not only in the UK, but globally with a reported decline in working hours reaching around 10.7 per cent relative to the last quarter of 2019 globally and with USA and Europe presenting the largest losses of working hours and activity (ILO, 2020). Both lay-offs and shorter working hours were more pronounced among social groups disproportionately affected by the COVID-19 crisis, notably young workers and women (Strauss and Pickard, 2020; ILO, 2020). At the same time pay is reported as falling in real terms and hiring has collapsed, with vacancy numbers being at an all-time low in May 2020 (Strauss, 2020).

Although the CJRS scheme was apparently designed to be relatively comprehensive by allowing those on all types of contracts to be included and even for some already dismissed to be brought back and furloughed, the decision whether to use furloughing or dismissal was left up to employers. Support for the self-employed was announced later and was more delayed so that during April and beginning of May 2020 two million workers (employed and self-employed) applied for unemployment benefits. This number reached almost 3 million beginning of June, while more than 600,000 have dropped out of payroll since the start of the lockdown (Strauss, 2020). With fears over an increase in unemployment in light of a wave of redundancies starting after summer 2020, the majority of employees emphasized the high job insecurity currently characterising the job market. With the darkest scenario, the CIPD (2020) indicated that 22 per cent of workers expressed concerns of losing their job in the imminent future, while

38 per cent of furloughed workers feel that job losses upon return prevail, shedding light on the implications potential of imminent unemployment prospects have on psychological wellbeing.

In line with recent research on unemployment, underemployment and overemployment and wellbeing that illustrates that the underemployed have higher levels of wellbeing than the unemployed, but lower levels than full-time and part-time workers, it is implied that the more the actual hours differ from preferred hours the lower is a worker's well-being with being more pronounced in the case of no work at all (Bell and Blanchflower, 2020). In a similar vein, and consistent with Wood and Burchell (2018) who argue that unemployment can have detrimental effects on mental health, it is an imperative to examine the effect of no paid work and of fewer hours of work on mental health during the COVID-19 crisis.

To examine such effects the study draws on the COVID-19 United Kingdom Household Longitudinal Study (UKHLS). The survey covers the changing impact of the pandemic on the welfare of UK individuals, families and wider communities. Participants complete one survey a month, which includes core content designed to track changes, alongside variable content adapted each month as the coronavirus situation develops, including physical health, employment, childcare responsibilities, hours worked, earnings and questions on mental health. The first COVID-19 wave was collected during April 2020 and was released at the end of May. More waves of UKHLS based on the COVID -19 questionnaire are currently collected and expected to be released soon. The paper begins by considering theory and existing empirical evidence on employment, unemployment, reduced hours and mental health. It then explains the data and methods used in the study before presenting the results and discussing policy implication of this study.

Unemployment, short hours and mental health

Research linking unemployment to a whole raft of social and psychological problems has a long tradition in the social sciences. Many of the findings have been replicated so widely across time (going back to the 1920s), and across countries that they can be stated with little controversy. Although there are few randomised controlled trials on unemployment or re-employment there are plenty of longitudinal studies that leave little doubt about the direct causal relationship between unemployment and mental health. There are, as with so many phenomena, great individual differences between those who thrive without paid work, and those who suffer extreme psychological hardship, but when dealing with averages, the findings tend to be very predictable. There are a number of meta-analyses and summaries of thousands of individual studies (for instance Wood & Burchell, 2018; Paul & Moser, 2009).

Unemployment causes a large deterioration in mental health. This is true for both general measures of common symptoms of mental health problems (such as depression and anxiety) or more general measures of positive and negative emotions or for more specific measures such as self-esteem or life satisfaction. The effect sizes are larger than most other common stressors such as divorce, and (unlike most other stressors), the effects of unemployment hardly wear off as long as an individual remains unemployed. Unemployment effects both men and women with about the same ferocity.

Not all jobs provide the same protection against unemployment. There are almost certainly some jobs that are so bad that they are worse for the average individual than being unemployed. For instance, jobs where an individual is continually bullied, or jobs that are extremely precarious (for instance, some zero hours contracts), are not good for mental health, but these are thankfully a small minority of jobs in the UK – average jobs, or even a bit below average-quality jobs, are much better for mental health than no job.

The reasons for this dependency on employment for mental health are slightly more controversial. The most obvious cause that comes to mind is the loss of income, and the financial strain and poverty that usually accompanies the loss of a wage and the reliance on benefits or unemployment insurance instead. Rather surprisingly this loss of income accounts for only a very small proportion of the worsening of mental health, and this seems to be true whether in countries with relatively generous unemployment benefits (e.g. Nordic countries) or countries with less developed welfare systems.

Marie Jahoda's socio-environmental model of employment (1992) is the most influential of the models that is designed to account for the effect of unemployment on mental health. This theory goes back to studies in Austria in the Great Depression but has been highly influential in contemporary debates too (Selenko, Batnic and Paul 2011). Jahoda claimed that rather than the manifest reason for working – the wage – it was the accidental or latent consequences of working that were responsible for the psychological benefits of working. Jahoda listed five such benefits -- time structure; enforced activity; social contact outside of the family; collective purpose; and status/ identity (Jahoda, 1982). Many other more recent psychological models can be seen as refinements of Jahoda – for instance, by adding to this list (Warr, 1987), making more nuanced differentiations between good jobs and bad jobs (Warr, 1999) or adding individual differences in psychological and economic needs (Nordenmark and Strandt, 1999). There are alternative theoretical frameworks, but these are better considered as complementary to Jahoda. For instance, Fryer (2013) emphasises the importance of employment in empowering individuals to plan their lives, unlike unemployment and precarious jobs that frustrate attempts to plan for the future.

A more recent line of research is highly relevant here in rising above the simple dichotomy of employment and unemployment. Kamerāde et al (2019) asked the question as to how many hours of work are needed to provide the mental health benefits of employment. Again, the results of that study were rather surprising. The threshold for good mental health was about one day a week – above that, it seemed to make little difference to individuals' wellbeing if they worked eight hours or 48 hours a week – the mental health varied little, and in all categories the mental health was markedly better than those with zero hours a week, either due to unemployment or to economic inactivity. That original work was performed on UK panel data and has been replicated in data from all EU countries (Wang et al, 2020). These findings might be highly relevant to the catastrophic labour market changes that have taken place in the period from March to May 2020 as the COVID-19 pandemic has changed the working lives of millions of workers. They strongly suggest that avoiding exclusion from paid work should be a top priority as a policy, but they also suggest that there may be a very plausible way of doing this with relatively little damage to the mental health of the nation, through short-time working. Although this has hardly been used as a policy in the UK, it has a strong tradition in other

European countries. While the UK's innovation was to bring in the furlough scheme, many European countries pioneered short time work subsidies either instead of or alongside measures for furloughed workers (ETUC, 2020).

The aim of the study presented here is to examine how changes in employment status, work hours and involvement in furlough job retention scheme between pre-pandemic period (January/February 2020) and the lockdown period (April 2020) are related to workers' mental health. Our main research question in this paper is whether those who experience either furloughing or a reduction in their working hours retain levels of mental health similar to employees, or experience drops the levels of mental health more normally associated with those not in paid work.

Methods

Data and sample

To examine, how is working reduced hours during pandemic related to mental health, we used data from first wave of Understanding Society COVID-19 Study (University of Essex, Institute for Social and Economic Research, 2020) collected in April 2020. Understanding Society COVID-19 Study is a special wave of the UK Household Longitudinal Study (UKHLS), which used stratified and clustered sampling to provide high-quality and nationally representative panel data of the United Kingdom households. The survey consists of an online questionnaire but those without internet access were interviewed through telephone by trained interviewers. The overall response rate was 41.2%. For this study we excluded those under 18 and above 65, those who were self-employed at January/February and/or April 2020, or those who transitioned from not having paid work to employment, or experienced increase in working hours. We also excluded respondents who were retired and longstanding sick/disabled in wave 9 of UKHLS (in 2017-2019). As the result, the analytic sample was 7,149 respondents. To adjust for complex survey design and unequal non-response rates, we used weighting in all analyses.

Measures.

Mental health was measured using the 12 items from General Health Questionnaire (GHQ-12), a validated scale widely used in the community or non-clinical settings to measure the levels of general psychiatric disorders (Aalto et al., 2012; Goldberg and Williams, 1988). There were 12 questions about respondents' depressive, anxiety symptoms, sleeping problems confidence and overall happiness etc., which were measured on a four-point scale (0 'less than usual', 1 'no more than usual', 2 'rather more than usual', and 3 'much more than usual'). The answers to the 12 questions were then summated to obtain a GHQ-12 Likert score (0-36) - higher scores reflect increased psychiatric morbidity, that is worse mental health (Goldberg and Williams, 1988).

Employment status was our key independent variable. We combined information from retrospective questions about employment status in January/February, the questions about employment status in April 2020 to capture changes in employment status and work hours, and created six categories: 'left paid work', 'remained out of paid work', 'furloughed under COVID-

19 job retention scheme', 'remained part-time employed (1-34 hours per week)', 'from full-time to part-time employed', and 'remained full-time employed (35-48 hours per week)'.

Household income was measured as an ordinal variable consisting of four categories: 'lowest quartile', 'second quartile', 'third quartile' and 'highest quartile', with lowest quartile being the reference category. In addition, we controlled for a number of *demographic and health covariates* including gender, age groups ('18-30', '31-40', '41-50' and '51-60'), whether live with a partner and presence of children ('no children', 'children aged 0-4', and 'children aged 5-15'). We also controlled for whether respondents have longstanding illness (yes, no) or experienced COVID-19 related symptoms ('no', 'ever had COVID-19 related symptoms' and 'currently have Covid-19 related symptoms'). Because the United Kingdom consist of four countries, we create a four-category variable for *country of residence*: England, Wales, Scotland and Northern Ireland. For more details about distribution of each variable, see Table A1 in Appendix.

Statistical analyses

First, we report the descriptive statistics of the sample. Second, we run multiple regression models to account for covariates. Ordinary Least Squares (OLS) regression models were specified for the GHQ-12 Likert score

Results

Using Understand Society COVID-19 April survey data, we found that during early COVID-19 period, around 3% of the sample left paid work, 13% remained out of paid work, 19% were furloughed under COVID-19 job retention scheme, 17% remained part-time employed, 6% transitioned from full-time employment to part-time employment, and 41% remained full-time employment (for more descriptive statistics for the key variables see Table A1 in Appendix).

According to Table 1, people who left paid work or remained out of paid work had poorer mental health than those who remained full-time employed. However, those who were furloughed, remained part-time employed and transitioned from full-time to part-time employed had similar levels of mental health to those who remained full-time employed. These patterns remained similar for men and women. An exception was that men who remained out of paid work had similar levels of mental health to men who moved from full-time to part-time work.

Table 1. GHQ-12 mental health scores by employment status and gender

Employment status	Pooled	Men	Women
Panel A	GHQ-12 Likert scores: Means (SD)		
Left paid work	14.77 (7.57)	14.45 (7.9)	14.97 (7.37)
Remained out of paid work	13.83 (6.66)	11.95 (5.47)	14.61 (6.95)
Furloughed under Covid-19 job retention scheme	12.18 (6.17)	10.83 (5.37)	13.23 (6.53)
Remained part-time employed (1-34 hours)	13.05 (6.01)	11.17 (5.4)	13.33 (6.05)
From full-time to part-time employed	12.56 (6.02)	11.85 (5.7)	13.02 (6.18)
Remained full-time employed (35-48 hours)	12.05 (5.30)	11.17 (4.87)	12.97 (5.57)

Notes.

Higher score represents poorer mental health

Standard deviations are in parentheses. ANOVA F-tests show that GHQ-12 scores differ significantly by the employment status in the pooled and gender-specific samples ($p < 0.001$).

Table 2 shows six OLS multiple regression models that predict coefficients of GHQ-12 mental health scores while controlling for a wide range of demographic and health characteristics. Figure 1, visualizes these findings for the ease of interpretation. Models 1, 3 and 5 did not control for household income. The results from these models suggest that compared to individuals remained in full-time employment, people who left paid work or remained out of paid work had significantly poorer mental health. In contrast, there were no significant differences in the levels of mental health between those who remained in full-time employment and people who were furloughed, remained part-time employed and transitioned from full-time to part-time employment. This pattern was similar for men and women. The only exception was that men who remained out of paid work had similar levels of mental health as those who remained employed full-time.

Table 2. Ordinary Least Squares regression models predicting GHQ-12 Likert psychiatric disorder scores

	Pooled		Men		Women	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Employment status (Ref. = Remained full-time employed)						
Left paid work	3.09** (1.02)	2.60** (1.01)	3.44* (1.34)	2.99* (1.33)	2.87* (1.41)	2.40 (1.37)
Remained out of paid work	1.17** (0.36)	0.65 (0.40)	0.58 (0.54)	0.23 (0.59)	1.77*** (0.46)	1.18* (0.51)
Furloughed under Covid-19 job retention scheme	0.07 (0.28)	-0.21 (0.30)	-0.28 (0.38)	-0.49 (0.39)	0.50 (0.42)	0.15 (0.45)
Remained part-time employed	0.21 (0.35)	-0.06 (0.34)	-0.13 (0.74)	-0.40 (0.73)	0.60 (0.39)	0.31 (0.39)
From FT to PT employed	0.53 (0.49)	0.45 (0.49)	0.47 (0.61)	0.41 (0.63)	0.62 (0.69)	0.53 (0.68)
Household income (Ref. = Lowest quartile)						
Second quartile		-0.49 (0.45)		0.06 (0.70)		-0.75 (0.53)
Third quartile		-1.49** (0.47)		-1.11 (0.72)		-1.63** (0.55)
Highest quartile		-1.41** (0.49)		-1.01 (0.71)		-1.57** (0.59)
Gender (Ref. = Male)	2.03*** (0.23)	1.99*** (0.23)				
Age groups (Ref. = 18-30)						
31-40	-0.75 (0.41)	-0.79 (0.41)	-0.20 (0.60)	-0.19 (0.59)	-1.23* (0.54)	-1.28* (0.54)
41-50	-1.67***	-1.72***	-0.97	-0.99	-2.29***	-2.33***

Working paper. V6. Do not distribute or quote without contacting the authors first.

	(0.38)	(0.38)	(0.54)	(0.53)	(0.48)	(0.48)
51-64	-2.21***	-2.35***	-1.72**	-1.78***	-2.69***	-2.83***
	(0.37)	(0.37)	(0.54)	(0.53)	(0.48)	(0.48)
Live with a partner (Ref. = Yes)	0.94**	0.59	0.93*	0.67	1.03**	0.64
	(0.29)	(0.31)	(0.44)	(0.45)	(0.36)	(0.39)
Presence children (Ref. = No)						
Children aged 0-4	0.96*	0.93*	0.86	0.85	0.85	0.84
	(0.46)	(0.45)	(0.60)	(0.59)	(0.63)	(0.63)
Children aged 5-15	0.54	0.53	0.37	0.39	0.60	0.58
	(0.31)	(0.30)	(0.43)	(0.42)	(0.40)	(0.39)
COVID-19 symptoms (Ref. = No)						
Ever had symptoms	1.08**	1.09**	0.38	0.36	1.57**	1.62**
	(0.38)	(0.38)	(0.42)	(0.42)	(0.52)	(0.52)
Currently have symptoms	2.99**	2.98**	2.92*	2.86*	3.14*	3.18*
	(0.99)	(0.96)	(1.19)	(1.16)	(1.50)	(1.47)
Have longstanding illness (Ref. = No)	1.36***	1.33***	1.11***	1.10***	1.59***	1.54***
	(0.22)	(0.22)	(0.32)	(0.31)	(0.31)	(0.31)
Regions (Ref. = England)						
Wales	0.96	0.97	1.08	1.18	0.84	0.77
	(0.73)	(0.72)	(0.86)	(0.88)	(0.88)	(0.86)
Scotland	-0.01	-0.03	-0.30	-0.30	0.19	0.17
	(0.35)	(0.35)	(0.49)	(0.49)	(0.44)	(0.45)
Northern Ireland	-0.31	-0.41	-0.19	-0.29	-0.38	-0.43
	(0.95)	(0.93)	(1.10)	(1.07)	(1.32)	(1.29)
Constant	11.29***	12.66***	11.26***	12.12***	13.24***	14.79***
	(0.39)	(0.60)	(0.56)	(0.85)	(0.45)	(0.71)
R-squared	0.10	0.10	0.06	0.07	0.08	0.08
Observations	7,149	7,149	2,795	2,795	4,354	4,354

Note. Standard errors in parentheses, *** p<0.001, ** p<0.01, * p<0.05.

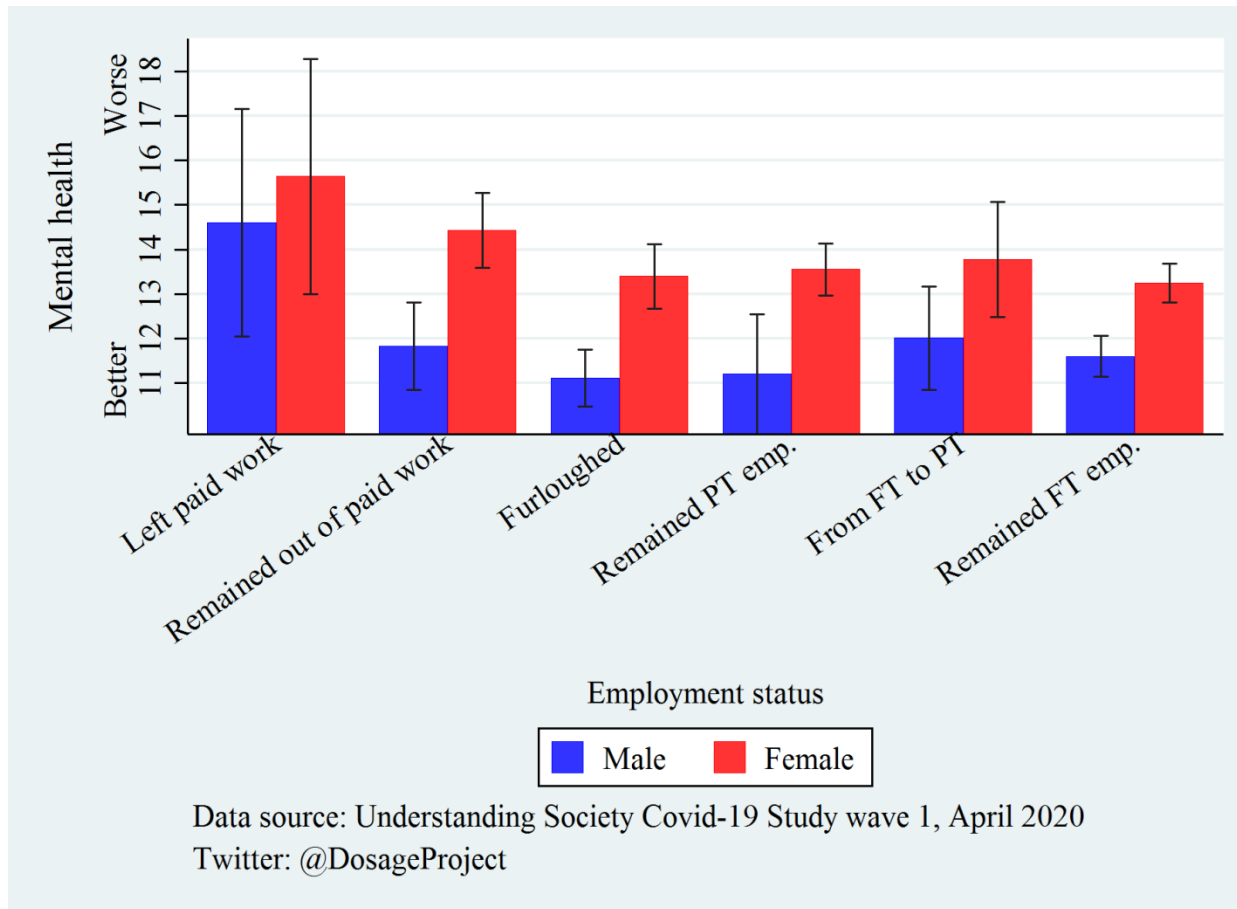


Figure 1. GHQ-12 mental health scores by employment status, after controlling for all variables in the models.

Models 2, 4 and 6 then controlled for household income quartile, showing that people with higher household income had better mental health than those with lower household income. Importantly, we find that in the pooled model after controlling for household income, 18% (1-(2.60/3.09)) and 33% (1-(0.65/1.17)) of negative effects for ‘left paid work’ and ‘remained out of paid work’ were mediated by the household income, and the patterns were similar for men and women. This suggests that lower household income partially explained poorer mental health of people who are not in paid work. However, as can be seen in Table 2 and Figure 1, even after controlling for the household income, compared to those who remained full-time employed, men who left paid work and women who remained out of paid work had significantly poorer mental health. In contrast, those who were furloughed, remained part-time employed and transitioned from full-time to part-time employment did not have significantly different levels of mental health.

Discussion

The aim of this study was to examine how changes in employment status, work hours and involvement in furlough job retention scheme between pre-pandemic period (January/February 2020) and the lockdown period (April 2020) were related to workers' mental health.

As predicted, we found that people working reduced working hours or being furloughed do not have poorer mental health. This suggests that shorter working week and furlough schemes can protect people from the negative mental health effects of unemployment. At the same time, we found that leaving paid work is significantly related to poorer mental health.

Limitations and future research

There remain some limitations of this study that can be addressed as more data become available. Unfortunately (perhaps an oversight, but rectified for the May 2020 survey) the category of people who were not in paid employment in 2020 was not divided into their reason for not working. Therefore, our category of "not in paid work before COVID-19" consists of at least eight separate employment statuses. We can examine the composition of that group and their GHQ-12 scores by going back to the respondents aged 18-65 in the UKHLS wave 9 data (2017-2019) (see Figure A1 in Appendix). By removing those who were retired or long-term sick and disabled in the previous wave (and are therefore unlikely to become either employed or unemployed), we have reduced the heterogeneity of the sample, but we have no way of knowing the exact composition of this group. This probably explains why there is such a difference between the mental health of the two out-of-work groups: those who lost their jobs since the beginning of the pandemic are mostly genuinely unemployed, whereas the longer-term out-of-work group is more heterogeneous. Furthermore, Kamerāde et al (2019) found that transitions between unemployment and employment had similar positive effects on wellbeing as transitions between economic inactivity and employment. It is also worth noting that several of these categories have rather fuzzy boundaries – for instance some early retired, home/family carers and those with long term illnesses or disabilities would gladly take a job if the right sort of work were available to them, but don't self-classify as unemployed for a variety of reasons to do with the benefit system or their own sense of identity.

We should remain a little cautious about straightforwardly inferring cause and effect from these data – we did only measure GHQ-12 scores at one point in time. As more waves become available we will be able to delve deeper into the data, but what we have found in the April 2020

data is consistent with what we know about employment, unemployment and working hours from other studies.

Moreover, our analyses cover just the first few weeks of the economic consequences of the pandemic and lockdown in the UK, and we therefore need to be cautious in drawing policy conclusions going into the longer term. For some employees who were feeling over-worked and stressed, the loss of some or all hours of work could have been experienced positively in the first few weeks – other researchers have sometimes referred to a “honeymoon period” after redundancy, particularly if it followed a long period of uncertainty. However, some other shocks, such as divorce and widowhood wear off and mental health returns to a baseline level after a period of a few months (Clark & Georgellis, 2013) but this is not the case for economic shocks such as unemployment or chronic job insecurity (Burchell, 2011).

Policy implications

Taking the results of our analyses at face value, and bearing in mind the enormous costs of mental health in terms of individual misery, the NHS (estimated by Layard (2013) to account for about 40% of NHS spending either directly or indirectly), lost productivity through disability and absenteeism, this paper has clear messages for policy makers.

The COVID-19 Furloughing scheme seems to have been a big success, not only in preventing widespread poverty but also in preventing the drop in mental health that we observe for those who were unfortunate to lose their jobs in the first few months of 2020. Given the extraordinarily high rates of redundancies that have occurred in countries that have not introduced furlough or short time working schemes, it is one way in which the UK has dealt better with the crisis than, for instance, the US (Torsten and Thorsten 2020). Unfortunately, the cost of the scheme makes it unsustainable. There is clearly a good case for retaining it in sectors where there is limited chance of significant activity in the near future including aviation, parts of hospitality, entertainment and the arts but in other sectors where activity is starting but will not go back to pre-COVID-19 levels in the short term there are alternative labour market interventions that are both more affordable than furloughing and much less likely to bring about lasting harm than a steep rise in unemployment. Those who have had a reduction in their working hours from full-time to part-time work have not experienced a hit to their mental health. Furthermore, this effect seems to be similar regardless of their reason for this reduction, be it imposed by an employer or as a way of coping with changing household circumstances (for instance increased childcare loads due to the closing of schools). This points to a clear vindication of the schemes introduced in many other European countries to subsidise working time reductions to cope with economic shocks such as the COVID-19 crisis (ETUC,2020).

Of course, mental health is not the only outcome that is important, and other implications of working time reductions need to be considered too. While a drop in earnings may be unacceptable to many households on low and average earnings, the costs of subsidising those households during the recovery period are a lot lower than the cost of complete furloughing. By sharing the work around more equitably, the extreme outcome of unemployment for some should

Working paper. V6. Do not distribute or quote without contacting the authors first.

be minimised (Rubery, 2020). Furthermore, there are many other claims being made for the benefits of a reduction in working time such a more equal balance of domestic and paid work between men and women, an increase in leisure time and quality of life, increased productivity per hour, reduced burnout and a lowering of harmful environmental impacts (Coote & Franklin, 2013).

References

- Bell, D., & Blanchflower, D. (2020). US AND UK LABOUR MARKETS BEFORE AND DURING THE COVID-19 CRASH. *National Institute Economic Review*, 252, R52-R69. doi:10.1017/nie.2020.14
- Bell, D.N.F. and Blanchflower, D.G. (2019), 'The well-being of the overemployed and the underemployed and the rise in depression in the UK', *Journal of Economic Behavior and Organization*, 161, May, pp. 180–96.
- Burchell, B. (2011). 'A Temporal Comparison of the Effects of Unemployment and Job Insecurity on Wellbeing'. Sociological Research Online 16(1)9 <http://www.socresonline.org.uk/16/1/9>.
- CIPD (2020) Impact of COVID-19 on working lives. Available at: <http://www.cipd.co.uk/knowledge/work/trends/goodwork/COVID-impact>
- Clark, A.E. and Georgellis, Y. (2013), Back to Baseline in Britain: Adaptation in the British Household Panel Survey. *Economica*, 80: 496-512. doi:10.1111/ecca.12007
- Coote, A. and Franklin, J. (Eds) Time on Our Side: Why we all need a shorter working week. London: NEF. ISBN: 978–1–908506–39–9
- ETUC (2020) Short Time Work Measures Across Europe. Briefing, Brussels. Available at: https://www.etuc.org/sites/default/files/publication/file/2020-05/Covid_19_Briefing_Short_Time_Work_Measures_30_April.pdf
- Fryer, D. (2013) Labour Market Disadvantage, Deprivation and Mental Health. In (Eds) Wolff, C., Drenth, P. J. D and Henk, T. *Handbook of Work and Organizational Psychology, Vol 2*. Hove: Psychology Press Ltd.
- ILO (2020) ILO Monitor: COVID-19 and the world of work. Fourth edition Updated estimates and analysis, 27 May 2020. Available at: https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefing_note/wcms_745963.pdf
- Jahoda, M. (1992) Reflections on Marienthal and After. *Journal of Occupational and Organizational Psychology* 65(4): 355– 358.
- Jahoda, M. (1982) *Employment and Unemployment: A Social- Psychological Analysis*. Cambridge: Cambridge University Press.

Working paper. V6. Do not distribute or quote without contacting the authors first.

- Kamerāde, D., Wang, S., Burchell, B., Balderson, S. and Coutts, A. (2019) A shorter working week for everyone: How much paid work is needed for mental health and well-being? *Social Science & Medicine*, 112353, <https://doi.org/10.1016/j.socscimed.2019.06.006>.
- Layard, R. (2013). Mental Health. In Wellbeing, C.L. Cooper (Ed.). doi:10.1002/9781118539415.wbwell103
- Nordenmark, M. and Strandh, M. (1999) Towards a Sociological Understanding of Mental Well-Being Among the Unemployed: The Role of Economic and Psychosocial Factors. *Sociology* 33(3): 577– 597
- Paul, K. I. and Moser, K. (2009) Unemployment Impairs Mental Health: Metaanalyses. *Journal of Vocational Behavior* 74(3): 264– 282.
- J. Rubery (2020) Afterword: Final Word and the Path Forward – Is the Myth of Austerity Giving Way to the Myth of the Robots Taking the Jobs? In D. Baines and I. Cunningham eds. *Working in the context of Austerity: Challenges and Struggles*, Bristol University Press forthcoming
- Selenko, E., Batnic, B. and Paul, K. (2011) Does Latent Deprivation Lead to Psychological Distress? Investigating Jahoda's Model in a Four- Wave Study. *Journal of Occupational and Organizational Psychology* 84(4): 723– 740.
- Strauss, D. (2020) Four conclusions from latest UK labour market data. Stable headline measure of unemployment hides huge shocks unfolding in economy. *Financial Times*, Available at: <https://www.ft.com/content/91ce2be9-f383-47f8-9ae3-f5e79e8fad7>
- Strauss, D. and Pickard, J. (2020) UK grapples with phasing out job furlough scheme, *Financial Times*, Available at: <https://www.ft.com/content/316c2353-fe00-4cd8-91de-dd4f2413a938>
- University of Essex, Institute for Social and Economic Research. (2020). *Understanding Society: COVID-19 Study, 2020*. [data collection]. UK Data Service. SN: 8644, <http://doi.org/10.5255/UKDA-SN-8644-1>
- Warr, P. (1987) *Work Unemployment and Mental Health*. Oxford: Oxford University Press.
- Warr, P. (1999) Well-being and the Workplace. In (Eds) Kahneman, D., Diener, E. and Schwarz, N. *Well-being: The Foundations of Hedonic Psychology*. New York: Russell Sage Foundation.
- Winton, A. and Crawford, D. (2020) What COVID-19 tells us about the value of human labour, *Manchester Policy Blogs*, Available at: <http://blog.policy.manchester.ac.uk/posts/2020/04/what-COVID-19-tells-us-about-the-value-of-human-labour/>
- Wood, A., & Burchell, B. (2018). Unemployment and Well-Being. In A. Lewis (Ed.), *The Cambridge Handbook of Psychology and Economic Behaviour* (Cambridge Handbooks in Psychology, pp. 234-259). Cambridge: Cambridge University Press.

Appendix

Table A1. Sample characteristics (Column percentages)

	Pooled	Men	Women
Employment status			
Left paid work	3.19	3.18	3.19
Remained out of paid work	13.41	10.05	15.57
Furloughed under Covid-19 job retention scheme	19.22	21.43	17.80
Remained part-time employed (1-34 hours)	17.22	5.87	24.51
From full-time to part-time employed	5.85	5.83	5.86
Remained full-time employed (35-48 hours)	41.11	53.63	33.07
Household income			
Lowest quartile	13.93	10.30	16.26
Second quartile	26.58	23.69	28.43
Third quartile	28.21	30.63	26.67
Highest quartile	31.28	35.38	28.64
Gender			
Male	39.10		
Female	60.90		
Age groups			
18-30	18.39	16.06	19.89
31-40	20.55	20.79	20.4
41-50	25.29	25.51	25.15
51-64	35.77	37.64	34.57
Living with a partner			
Yes	73.9	78.03	71.24
No	26.1	21.97	28.76
Presence of children			

Working paper. V6. Do not distribute or quote without contacting the authors first.

No	61.49	62.15	61.07
Children aged 0-4	12.76	12.99	12.61
Children aged 5-15	25.75	24.87	26.32
Covid-19 related symptoms			
No	84.99	85.4	84.73
Ever had symptoms	13.69	13.17	14.03
Currently have symptoms	1.31	1.43	1.24
Have longstanding illness			
No	60.46	60.89	60.17
Yes	39.54	39.11	39.83
Regions			
England	81.05	81.14	80.98
Wales	5.53	5.51	5.54
Scotland	8.80	8.80	8.80
Northern Ireland	4.63	4.54	4.69
N	7,149	2,795	4,354

Figure A1. GHQ-12 scores of those not in paid work in previous UKHLS wave

