

Is unemployment deliberate? You bet it is

Published: January 13, 2026, 6:54 am

Frances O'Grady - incoming TUC general secretary - has suggested in a Guardian interview today that high unemployment is a deliberate ploy being used by the government to suppress wage claims and destroy employment rights. [As she puts it:](#)

There was certainly a strong view in the 1980s, not just among trade unions, but also among a number of intellectuals and commentators, that unemployment was being used as a deliberate measure to keep pay down, and to keep people scared. As long as the number one worry for people, keeping them up at nights, is whether they're going to have a job in the morning, then they are less likely to resist unfair changes, or unfair treatment, or cuts in real pay at work. So there's a fair bit of evidence to suggest it can be a deliberate policy. And I think we do legitimately have to ask why the government isn't taking action to create decent employment for young people, when the evidence is that if you don't do that, you really are going to pay a very high price.

The Treasury is not having it. They responded, also in the Guardian:

To suggest [youth unemployment] is a deliberate policy is utterly ridiculous, a ridiculous accusation that is, quite frankly, utterly laughable.

The government is determined to tackle youth unemployment; the Youth Contract will provide nearly half a million new opportunities for 18 to 24-year-olds and is backed by almost £1bn of funding. We support the creation of jobs be they full time or part-time.

Now, of course I'm biased: [I work for the TUC](#), and am proud to do so, but on this issue all the evidence stacks one way, and that is on Frances O'Grady's favour. The "opportunities" the government refers to are little more than shallow work creation schemes that have limited quality, no enduring value and no real job prospects. And that is inevitable: this government has persistently refused to stimulate demand to create private sector employment whilst simultaneously cutting government investment and jobs in a vain attempt to cut debt, which as the FT notes this morning [is unlikely to work during this parliament](#).

Why has it pursued this policy? The only possible explanation is that it wants a more neo-liberal market and that is one where there is less regulation, much more limited employment protection and more supply side freedom to sack workers - and limit their pay. All of this is policy evidenced in what the government is doing. In that case either O'Grady is right and unemployment is the aim or alternatively the government is simply indifferent to unemployment being the consequence of its policy. In either case there can be no doubt it has not one iota of concern for those unemployed - because it and the Tory party at large think them feckless and deserving of whatever comes their way. This is the manifestation of their belief that wealth, high pay and status are sure indicators of moral worth, and so unemployment is the result of immorality and as such deserved. That's callous, illogical, unethical and also very obviously simply unfounded and untrue, but that's never stopped a neoliberal believing in anything: you have to suspend your disbelief to be one so absurd are the assumptions that underpin neoliberal economics and thinking.

So I suggest, based on the evidence, that Frances O'Grady is right. But more than that, tellingly she has hit a nerve, and that's the good news.